

CAPITAL ♦ CONSTRUCTION ♦ ACCOUNTING



REVISED OCTOBER, 1998

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CHAPTER I INTRODUCTION

SECTION 1 *INSTRUCTIONS FOR USING CAPITAL CONSTRUCTION ACCOUNTING GUIDELINES*

The *Capital Construction Accounting Guidelines* have been developed by the State Controller's Office (SCO) for agency personnel to follow when a controlled maintenance/capital construction (construction) project has been authorized by legislative action. These guidelines will assist agencies in performing the following responsibilities:

- ♦ Meeting the unique accounting requirements related to processing construction project transactions in COFRS.
- ♦ Meeting the requirements of state statutes and the Fiscal Rules governing the fiscal administration of construction projects.

If agency personnel follow the procedures contained in these guidelines, the agency should be in compliance with both the requirements of statutes governing the fiscal administration of capital construction projects and will be properly recording construction project accounting transactions in the accounting system.

We realize that the project administration and accounting operating environments are different in every agency and that an agency may have to change the guidelines to meet their unique needs. However, an agency may not begin work on a project until a contract has been executed and appropriate budgetary transactions have been approved and recorded. An agency controller may make the following changes to the guidelines to meet the agency's needs:

- ♦ Substitute alternative procedures or procedure steps for those contained in the guidelines.
- ♦ Eliminate or add procedures and procedural steps to those contained in the guidelines.

The agency controller is expected to use appropriate professional judgment to ensure that adequate internal accounting processing controls are maintained and that the requirements of statutes governing the fiscal administration of construction projects are met. The controller is also expected to adequately document:

- ♦ Any deviation from or change to the guidelines made by their agency.

- ♦ The reason the deviation or change was made.
- ♦ An analysis of the impact of the deviations or changes on the agency's ability to maintain adequate internal accounting controls to meet the requirements of statutes governing the fiscal administration of construction projects.

This document should be maintained in a manner that makes it readily available to the SCO internal auditor and the staff from the State Auditor's Office.

SECTION 2
DEFINITIONS

Accounts Receivable - Cash owed to the Capital Construction Fund from sources other than the General Fund. These may be from intergovernmental or other non-state sources, other state agencies, or Intradepartmental/Intra-agency sources.

Acceptable Securities - United States bonds, United States treasury notes, United States treasury bills, general obligation or revenue bonds of this state, general obligation or revenue bonds of any political subdivision of this state, certificates of deposit from a state or national bank or a savings and loan association insured by the FDIC or the FSLIC and having its principal office in this state.

Agency 999 - The State Controller's non-operating state agency.

Agency Cash Account - COFRS balance sheet account 1100 (Cash with State Treasurer) within each fund/agency combination.

American's with Disabilities Act (ADA) - Federal mandate requiring that all public facilities be made handicapped accessible.

Application for Payment - A form, completed and submitted by an architect/engineer, to charge the state agency for services rendered.

Appropriation - A legislative authorization to a state agency to make expenditures which has been approved by the Governor.

Appropriation Transaction (AP) - A COFRS transaction used to record, restrict, unrestrict, transfer, or reduce an appropriation in the accounting system. There are two types of transactions: an appropriation transaction (AP) or a transfer of appropriation (TA).

Art in Public Places Fund - COFRS Fund 273 used to account for projects for *Works of Art In Public Places* and *Works of Art in Correctional Facilities* programs.

Augmenting Revenue - Funding for a capital construction project from any source other than the State's Capital Construction Fund that is recorded as earned revenue in the Capital Construction Fund.

Capital Construction Continuing Appropriation Status (CCCAS) Form - Forms produced and distributed by the SCO that lists all projects active during a fiscal year and identifies them as either continuing projects or expiring projects.

Capital Construction Contract - A written agreement between an agency of the state and another party that is enforceable by law.

- ♦ A capital construction contract is distinguished from other contracts in that a capital construction contract usually results in the recording of land, buildings and other permanent non-movable structures as assets of the state.
- ♦ A contract can be distinguished from a purchase order by the fact that a contract will contain the signatures of both the state agency representative and the outside party providing service or goods, while a purchase order will contain only the signature of the state agency representative.

Capital Construction Fund - COFRS fund 461.

Capital Construction Fund Cash - The cash transferred from the General Fund to the State Capital Construction Fund, the quarterly transfers from the Lottery Fund to the State Capital Construction Fund, and any interest earned by the Capital Construction Fund.

Capital Construction Project - An appropriation or a series of appropriations made to a state agency or institution to complete a specific capital construction objective costing more than \$50,000.

Capital Development Committee (CDC) - Legislative committee that oversees capital construction appropriations from budget formulation to completion.

Certificate for Contractor Payment - A form, completed and submitted by the General Contractor, to charge the state agency for materials and labor supplied by the construction contractor.

Construction Costs - The actual costs necessary to build a building not including any fees paid to an architect/engineer or any costs of equipment not connected to the building and essential to the operation of the building.

Continuing Project - Capital construction project still within the three year life cycle of the standard project appropriation. A continuing project may be completed within the three year life cycle and may have uncommitted spending authority that must be reverted.

Contract Routing Form – Either a SCO form #395-53-07-0085 or a screen print of the CLIN and CLI2 tables that is completed by a state agency that is forwarding a contract amendment, change order, or supplement to one or more central approver(s).

Controlled Maintenance - Corrective repairs or replacement used for existing state owned, general funded buildings and other physical facilities, including, but not limited to, utilities and site improvements, which are suitable for retention and use for at least five years, and replacement and repair of the fixed equipment necessary for the operation of such facilities, when such work is not funded in an agency's operating budget to be accomplished by the agency's physical plant staff.

The difference between capital construction and controlled maintenance projects has also been described by the application of certain project drivers:

- ♦ **Maintenance Driven:** Defined as those projects arising out of the deterioration of a facility's physical and functional condition, including site and infrastructure, and the inability to comply with current codes. These types of requests would be considered as controlled maintenance.
- ♦ **Program Driven:** Defined as those projects arising out of an agency's need to create, expand, or alter a program due to growth, advances in technology or changes in methods or program delivery. Requests addressing physical space requirements needed to accommodate particular functions, such as those traditionally included in facility programs would constitute a "Program Driven" request, and, therefore, would be considered as capital construction.

Controlled Maintenance Project - A project appropriation for planned maintenance on an existing state facility as defined in CRS 24-30-1301.

Controlled Maintenance Trust Fund - A separate interest earning fund with the Treasury created by CRS 24-75-302.5(2). Interest earned by the fund is dedicated for controlled maintenance projects.

Custodian for Acceptable Securities - The public entity or any national bank, state bank, trust company, or savings and loan association located in this state and designated by mutual agreement of the public entity and the contractor to serve as custodian for the acceptable securities.

Eligible Project - A capital construction, not controlled maintenance, project that contains new construction or extensive remodeling of a building.

Emergency Maintenance Project - An appropriation made to the Department of Personnel/General Support Services (GSS) to meet emergency maintenance situations that pose a threat to the public health, welfare, or safety that arise at a state agency or institution.

Encumbrance - A reservation of appropriation representing a commitment reflecting either a purchase order or a contract.

Escrow Agreement - Escrow contract or escrow contract and security agreement with any national bank, state bank, trust company, or savings and loan association located in this state and designated by mutual agreement of the public entity and the contractor, after notice to the surety, to provide as escrow agent for the custodial care and servicing of any acceptable securities deposited with them in lieu of retainage.

Expiring Project - Project that has reached the end of the three year life span. Expiring projects may or may not have unused appropriation authority that needs to be reverted.

Expired But Continuing Projects - Projects that have reached the end of their three year appropriation life but will continue into the subsequent fiscal year because of open and valid encumbrances.

Final Settlement Date - The tenth day following the final day of advertising.

Fixed & Movable Equipment/Furniture - Equipment and furniture necessary for the operation of new, remodeled or renovated buildings and other physical facilities and for the conduct of programs initially housed therein upon completion of the new construction, remodeling or renovation.

General Contractor - An individual or company paid by a state agency to complete all of or a specific portion of a capital construction project.

General Support Services (GSS) - The Department of Personnel.

Grant Budget Line (GBL) - A code in the COFRS grant accounting module used to establish budgetary authority and limits for expenditures within the grant. This code is also used to validate and record all accounting activity for the grant.

Grant Control Options - Settings on the fund/agency (FAGY) table that indicate which COFRS accounting attributes must be used and validated when recording transactions in the grant accounting module.

Information Technology Project - Appropriation made to a state agency for purchase or improvements to computer related equipment, software, and building wiring.

Invoice - A billing/request for payment often listing services/goods provided with terms and conditions for the state agency to pay.

Jury Members - A panel selected and convened by the Colorado Council on the Arts per CRS 24-80.5-101(5)(a) to make recommendations on *Works of Art in Public Places*.

Lis Pendens - A claim, filed in a court by a supplier or sub-contractor, against a general contractor for non-payment of materials or labor.

Long Bill - The annual appropriations act passed by the Legislature and approved by the Governor that provides for the payment of expenses by the Executive, Legislative, and Judicial branches of government for a fiscal year period, including capital construction appropriations.

Lottery Proceeds - Moneys earned by sales of the Colorado Lottery that have been identified as a funding source for a capital construction project.

Phased Project - A single capital construction or controlled maintenance project that receives appropriations in several Long Bills as opposed to receiving the entire appropriation in a single bill. Phased appropriations are identified as such in the Long Bill.

Professional Services Contract - A contract with an architect, engineer, surveyor, or professional project manager.

Project Application - State Buildings Program Form SC 4.1 completed by the state agency to establish a capital construction or controlled maintenance project and document budgeted costs associated with the project.

Project Budget Line - The budgeted amount for each project/sub-project/phase combination related to the project and the level at which funds available edits can be invoked.

Punch List - A list of items related to a capital construction project that need to be completed or corrected by the contractor because they have been identified by the project manager as inadequate or incompletely performed.

Purchase Order - A document issued by State Purchasing or state agency purchasing authority to a vendor for the purchase of equipment, materials and supplies, and labor.

Purchase Requisition - A written request from a state agency to State Purchasing or the agency purchasing authority for the issuance of a commitment to purchase equipment, materials and supplies, professional fees, and labor.

Restriction - Amount of appropriation authority that has been provided to a state agency but is not available for spending.

Retainage - The amount withheld from a payment to a contractor and recorded as a liability of the state in accordance with CRS 24-91-103.

Retrofit Project - Project to adapt an existing facility to ensure it is accessible to persons with disabilities.

Reverting Appropriation - Uncommitted appropriation authority that must be returned to the State Capital Construction Fund at the completion of a project or when the project expires.

Scheduled Workday - Monday through Friday excluding holidays.

Senate Bill 202 Capital Construction Project - A higher education institution project that is to be constructed, operated, and maintained solely from student fees, auxiliary enterprise funds, wholly endowed gifts and bequests, research building revolving funds, or a combination of such sources, that has been approved by the Colorado Commission on Higher Education in accordance with CRS 23-1-106(9).

Six Months Rule - Statutory requirement that professional services or construction contracts be executed and encumbered within six months of the appropriation becoming available.

Special Bill - A Legislative act approved by the Governor which may increase or decrease budget authority to a state agency that has not otherwise been provided to that state agency through another action such as the Long Bill, a supplemental bill or statute.

Spending Authority - Amount of appropriation authority available to a state agency against which they may record expenditures.

Spending Authority Indicator - A code used on COFRS appropriation transactions to indicate the source of the appropriation. Spending authority indicators (SAI) that are used with capital construction appropriations are:

- SAI "01" indicates the appropriation is from the Long Bill.
- SAI "02" indicates the appropriation is from a special bill.
- SAI "03" indicates the appropriation is from a supplemental bill.
- SAI "06" indicates the appropriation is reverting.
- SAI "07" indicates an appropriation transfer.
- SAI "08" indicates the appropriation is a capital construction carry-forward.

State Agency - An agency, division, section, unit, commission, board, bureau, college, university, or institution in Colorado state government created by law, executive order, or any other authority.

State Buildings Program (SBP) - Supervises and is responsible for the expenditure of funds appropriated by the General Assembly for capital construction and controlled maintenance projects at state agencies.

State Capital Construction Fund - A separate interest earning fund with the Treasury created by CRS 24-75-302 used to fund capital construction fund activity as defined by 24-75-301(1).

State Funded Capital Construction Project - An appropriation or a series of appropriations made to a state agency or institution to complete a specific capital construction objective as defined by CRS 24-30-1301.

Statewide Contract - A contract between a central approving agency, for example the State Buildings Program and a vendor in order to provide a specific type of service to all state agencies.

Sub-contractor - An individual or company hired by the general contractor to perform a specific portion of a capital construction project.

Substantial Completion - The date when the construction is sufficiently complete, in accordance with the contract documents, as modified by any change orders agreed to by the parties, so that the work or designated portion thereof is available for use by the owner.

Supplemental Bill - A legislative act passed and approved by the Governor to increase or decrease an existing appropriation, or to add a new appropriation subsequent to the Long Bill.

Supplier - An individual or company that sells materials and goods to either the general contractor or any of the sub-contractors, for use on a capital construction project.

Total Contract Value (TCV) - The amount originally encumbered for a contract plus or minus any change orders, amendments, supplements, and reimbursable expenses.

Total Amount Earned - Labor or professional services performed to date including any material provided.

Verified Release of Claim - A written statement received from a supplier or sub-contractor stating that they have been paid by the general contractor.

Verified Statement of Claim - A written notarized statement received from a supplier or sub-contractor stating that they have not been paid by the general contractor.

CHAPTER II APPROPRIATION AUTHORITY

PURPOSE:

The purpose of this chapter is to provide guidance for state agencies in the following areas related to controlled maintenance/capital construction projects:

- ♦ Record appropriations made in the annual appropriations act (Long Bill);
- ♦ Record appropriations made or adjusted in supplemental bills;
- ♦ Record appropriations made or adjusted in special bills;
- ♦ Provide guidance for state agencies regarding the capital construction “Six Months Rule” (CRS 24-30-1404(7));
- ♦ Record project appropriation continuations;
- ♦ Record transfers between controlled maintenance and/or emergency maintenance projects;
- ♦ Record appropriations for the Americans with Disabilities Act; and
- ♦ Establish appropriate appropriation codes.

These areas apply to both capital construction and controlled maintenance projects.

Please refer to Volume 2, Section 2, Chapters 1 through 5 of the COFRS User Reference Manual for detailed instructions on the COFRS Budgetary Module including a system overview, how to prepare and complete appropriation transactions, and budgetary reports.

DEFINITIONS:

See Chapter 1, Section 2.

SECTION 1
RECORDING THE LONG BILL

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

The capital construction portion of the Long Bill is effective upon passage by the General Assembly and approval of the Governor. Project appropriations are available on that date unless otherwise specified in the bill. The individual project appropriations are available until the completion of the project or for a period of three years, whichever comes first. For the purposes of monitoring the three year time limitation, the time starts on the first day the appropriation becomes available. For example, if the Governor approves the Long Bill on May 2, 2001, the calculation for the three year period begins May 2, 2001, and the project appropriations would expire on May 2, 2004. For administrative purposes only, reversions of uncommitted funds on expiring projects are not required until the fiscal year end close of the year the project expires.

Capital Construction/Controlled Maintenance projects (projects) are either appropriated in legislation (Long Bill, Supplemental Bill, or Special Bill) or come from non-appropriated funds (i.e. cash or federal funds). Projects are identified in the legislation and the Capital Development Committee (CDC) report as either capital construction or controlled maintenance. When legislation is introduced, the Field Accounting Services Team (FAST) of the SCO will get a draft copy. The FAST also obtains a copy of the CDC Report to the Colorado General Assembly containing funding recommendations. This report is published once a year during the normal legislative session and contains a brief summary of the projects (including any prior appropriations and future requests). The FAST also obtains a copy of the Prioritized Funding Recommendations report for controlled maintenance requests from the State Buildings Program (SBP) personnel. The FAST keep records of all active projects detailing project numbers, COFRS coding, original legislation authorizing the project, and the most recent legislation.

Using the CDC report, the SBP report, and the internal records, FAST reviews the legislation to determine which are new projects and which are continuing projects. Project numbers are assigned accordingly. Capital construction project numbers begin with a "P" plus four digits; controlled maintenance project numbers begin with a "M" plus five digits (three digits prior to FY98-99). All project numbers are smart coded based on the year of the original legislation.

If FAST cannot determine if a project is new or continuing they may contact the state agency for assistance. Copies of the coded draft legislation is then forwarded to state agencies. If the state agency disagrees with the assigned project numbers, they should contact FAST.

This process is followed for projects in the Long Bill. Those projects in Supplemental or Special Bills are handled differently. In those cases, verification of new and continuing projects is usually done directly with the state agency involved. Special bills normally do not identify the projects as capital construction or controlled maintenance. Draft copies are usually not sent out due to the lower volume of projects.

When a state agency receives non-appropriated funds for a project they may call FAST directly for appropriate COFRS coding information.

The COFRS hierarchy coding is controlled by FAST and is subject to change. If you wish more information regarding this, please call your accounting specialist within FAST. The following budgetary coding, which is necessary to record a project appropriation, is determined and entered into COFRS by FAST:

- ♦ Long Bill Accumulator;
- ♦ Long Bill Group;
- ♦ Funding Source Code;
- ♦ Long Bill Line Item; and
- ♦ Project Number.

All other budgetary coding necessary or desired by a state agency is defined and entered by the state agency. These codes include:

- ♦ Appropriation code (required);
- ♦ Organization code (optional); and
- ♦ Sub-codes such as sub-object, sub-revenue, sub-organization, and/or reporting category (optional).

In order for the State Controller's Office to monitor compliance with certain statutes, all state funded capital construction projects must have an all numeric appropriation code. All other capital construction projects accounted for in the capital construction fund should have an appropriation code that begins with an alpha character.

Most new project appropriations are 100 percent restricted when initially recorded into COFRS. A Capital Construction Project Application (SC 4.1) must be completed, approved, and submitted to FAST with a state agency approved appropriation document (AP) to have the restriction released and have the funds available to expend. Information technology (IT) type projects do not require a SC4.1 and therefore do not have to be restricted when initially recorded.

Appropriation transactions require both a Level 3 (state agency) and Level 5 (FAST) approval.

PROCEDURAL FOCUS:

The SC 4.1 form is used as a support document for the following transactions:

- ♦ An initial request to release a restriction and record spending authority.
- ♦ Subsequent project spending authority requests.
- ♦ A transfer of appropriation from one project to another.
- ♦ Changes within a project not associated with appropriations.
- ♦ Requests for emergency maintenance projects.
- ♦ Any appropriation changes to projects (increases or decreases).

An AP or TA document is used as the mechanism for the following actions:

- ♦ Record an initial project appropriation.
- ♦ Release an appropriation restriction.
- ♦ Record subsequent project appropriation adjustments.
- ♦ Record a transfer between projects.
- ♦ Reduce an uncommitted appropriation to zero.

PROCEDURAL STEPS:

There are two approaches that can be followed for recording appropriations made in the Long Bill. One approach is if the state agency needs the appropriation in the year that the appropriation becomes law (signed by the Governor); and the other approach is when the appropriation is not needed by the state agency until the subsequent year.

APPROACH 1: Appropriation Needed in Year of Approval

- Step 1:** The state agency contacts FAST within two weeks of the Governor signing the Long Bill to receive the appropriate budgetary coding to create the appropriation code and record the appropriation in the current fiscal year.
- Step 2:** The state agency creates an appropriation code in the COFRS APP2 table and state agency requests FAST to approve the code.
- Step 3:** The state agency prepares an AP transaction to record the appropriation. Spending authority indicator (SAI) code “01” must be used for this action. Appropriations for other than IT projects must be 100 percent restricted.

Step 4: The state agency completes SC 4.1, when required, and obtains necessary state agency approvals. If the state agency has delegated signature authority from SBP Program (SBP) on the SC 4.1, they forward the approved SC 4.1 and AP document directly to FAST. If the state agency does not have delegated authority, they forward the completed and approved SC 4.1 and AP document to SBP. SBP approves the SC 4.1 and forwards both SC 4.1 and AP to FAST.

If SC 4.1 is submitted with the initial AP transaction in Step 3 above, the appropriation does not need to be restricted. If the SC 4.1 is completed after the initial recording in Step 3, an AP transaction to release restriction in an amount equal to the amount on the SC 4.1 must be completed, approved and submitted with the SC 4.1.

APPROACH 2: Appropriation Not Needed in the Year of Approval

Step 1: FAST totals entire capital construction Long Bill appropriations for each state agency and subtracts any project appropriations recorded under Approach 1 above. Remainder is recorded by FAST in each state agency's YYY appropriation code as a lump-sum amount detailed according to the columns in the Long Bill in the year the appropriation becomes available. SAI "01" will be used on this action.

Step 2: The state agency creates the appropriation code in the COFRS APP2 table in the new year if a new appropriation code is needed for a new project. The state agency requests FAST to approve the code.

Step 3: The state agency prepares AP transaction to record the appropriation as a carry forward in the new year using SAI code "08."

Step 4: State agency completes SC 4.1 when required and obtains necessary state agency approvals. If state agency has delegated signature authority for SBPP on the SC 4.1, they forward the approved SC 4.1 and AP document directly to FAST. If state agency does not have delegated authority, they forward the completed and approved SC 4.1 and AP document to SBP. SBP approves the SC 4.1 and forwards both SC 4.1 and AP to FAST.

If SC 4.1 is submitted with the initial transaction in Step 3 above, the appropriation does not need to be restricted. If the SC 4.1 is completed after the initial recording in Step 3, an AP transaction to release restriction in an amount equal to the amount on the SC 4.1 must be completed, approved and submitted with the SC 4.1.

SECTION 2
RECORDING SUPPLEMENTAL BILLS

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Project appropriations made in supplemental bills are available at the time specified in the bill. Please refer to the ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS section of Chapter 2, Section 1 for further information in this area.

PROCEDURAL STEPS:

Capital construction supplemental bills may include increases or decreases to existing projects, or it may include new project appropriations. The processes to record each of these actions are described separately.

Recording Increases to Existing Project Appropriations:

- Step 1:** The state agency prepares AP transaction to record the appropriation increase. Appropriation increase must be 100 percent restricted except for IT projects. SAI “03” must be used on this action.
- Step 2:** The state agency completes a revised SC 4.1, when required, and obtains necessary state agency approvals. If the state agency has delegated signature authority for SBP on the SC 4.1, they forward the approved SC 4.1 and AP document directly to FAST. If state agency does not have delegated authority, they forward the completed and approved SC 4.1 and AP document to SBP. SBP approves the SC 4.1 and forwards both SC 4.1 and AP to FAST.

If SC 4.1 is submitted with the initial transaction in Step 1 above, the appropriation does not need to be restricted. If the SC 4.1 is completed after the initial recording in Step 1, an AP transaction to release restriction in an amount equal to the amount on the SC 4.1 must be completed, approved and submitted with the SC 4.1.

Recording Decreases to Existing Project Appropriations:

- Step 1:** The state agency prepares AP transaction to record the appropriation decrease. SAI “03” must be used on this action. If the project appropriation is restricted, the restriction must be released in an amount equal to the project decrease and then the decrease can be processed.

If the appropriation is not restricted and an SC 4.1 has been processed for the full spending authority, a new SC 4.1 must be completed to reflect the decreased amount available for the project. The SC 4.1 must be approved by the state agency and forwarded with the AP to SBP. SBP will approve the SC 4.1 and forward both the SC 4.1 and AP to the FAST.

Recording a New Project Appropriation:

- Step 1:** The state agency contacts FAST to receive the appropriate budgetary coding to create the appropriation code and record the appropriation in the current fiscal year.
- Step 2:** The state agency creates an appropriation code in the COFRS APP2 table and requests FAST to approve code.
- Step 3:** The state agency prepares AP transaction to record the appropriation. Appropriation must be 100 percent restricted except for IT projects. SAI “03” must be used on this action.
- Step 4:** The state agency completes SC 4.1, when required, and obtains necessary state agency approvals. If state agency has delegated signature authority for SBP on the SC 4.1, they forward the approved SC 4.1 and AP document directly to FAST. If state agency does not have delegated authority, they forward the completed and approved SC 4.1 and AP document to SBP. SBP approves the SC 4.1 and forwards both SC 4.1 and AP to FAST.

If SC 4.1 is submitted with the initial transaction in Step 3 above, the appropriation does not need to be restricted. If the SC 4.1 is completed after the initial recording in Step 3, an AP transaction to release restriction in an amount equal to the amount on the SC 4.1 must be completed, approved and submitted with the SC 4.1.

SECTION 3
RECORDING SPECIAL BILLS

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Project appropriations made in special bills are available at the time specified in the bill. Please refer to the ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS section of Chapter 2, Section 1 for further information in this area.

PROCEDURAL STEPS:

Capital construction special bills may include increases or decreases to existing projects, or it may include new project appropriations. The processes to record each of these actions is described separately.

Recording Increases to Existing Project Appropriations:

- Step 1:** The state agency prepares AP transaction to record the appropriation increase. Appropriation increase must be 100 percent restricted except for IT projects. SAI “02” must be used on this action.
- Step 2:** The state agency completes SC 4.1 when required and obtains necessary state agency approvals. If state agency has delegated signature authority for SBP on the SC 4.1, they forward the approved SC 4.1 and AP document directly to FAST. If state agency does not have delegated authority, they forward the completed and approved SC 4.1 and AP document to SBP. SBP approves the SC 4.1 and forwards both SC 4.1 and AP to FAST.

If SC 4.1 is submitted with the initial transaction in Step 1 above, the appropriation does not need to be restricted. If the SC 4.1 is completed after the initial recording in Step 1, an AP transaction to release restriction in an amount equal to the amount on the SC 4.1 must be completed, approved and submitted with the SC 4.1.

Recording Decreases to Existing Project Appropriations:

- Step 1:** The state agency prepares AP transaction to record the appropriation decrease. SAI “02” must be used on this action. If the project appropriation is restricted, the restriction must be released in an amount equal to the project decrease and then the decrease can be processed.

If the appropriation is not restricted and an SC 4.1 has been processed for the full spending authority, a new SC 4.1 must be completed to reflect the decreased amount available for the project. The SC 4.1 must be approved by the state agency and forwarded with the AP to SBP. SBP will approve the SC 4.1 and forward both the SC 4.1 and AP to FAST.

Recording a New Project Appropriation:

- Step 1:** The state agency must contact FAST to receive the appropriate budgetary coding to create the appropriation code and record the appropriation in the current fiscal year.
- Step 2:** The state agency creates an appropriation code in the COFRS APP2 table and requests FAST to approve code.
- Step 3:** The state agency prepares AP transaction to record the appropriation. Appropriation must be 100 percent restricted except for IT projects. SAI '02" must be used on this action.
- Step 4:** The state agency completes SC 4.1, when required, and obtains necessary state agency approvals. If the state agency has delegated signature authority for SBP on the SC 4.1, they forward the approved SC 4.1 and AP document directly to FAST. If state agency does not have delegated authority, they forward the completed and approved SC 4.1 and AP document to SBP. SBP approves the SC 4.1 and forwards both SC 4.1 and AP to FAST.

If SC 4.1 is submitted with the initial transaction in Step 3 above, the appropriation does not need to be restricted. If the SC 4.1 is completed after the initial recording in Step 3, an AP transaction to release restriction in an amount equal to the amount on the SC 4.1 must be completed, approved and submitted with the SC 4.1.

SECTION 4
APPLYING THE CAPITAL CONSTRUCTION SIX MONTHS
RULE” (CRS 24-30-1404(7))

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Per CRS 24-30-1404(7), professional service contracts shall be executed and encumbered within six months after the date on which the capital construction appropriation becomes law (Governor’s signature). Professional services contracts, as defined in CRS 24-30-1402(6), means services within the scope of architecture, engineering, land surveying, landscape architecture or industrial hygiene. In the event that a professional services contract is not required for a particular project, the contract with the contractor for the project shall be entered into within six months of the appropriation being made available.

The statute applies to all capital construction and controlled maintenance projects unless otherwise exempted. The statute provides some defined exceptions such as projects under the supervision of the Department of Transportation, projects funded with net Lottery proceeds (six months starts from the time the proceeds are available), and selected projects for the Department of Natural Resources’ Divisions’ of Parks and Wildlife. Other administrative exemptions apply if the appropriation is for a phased project or the funds are available on a contingency basis. If a state agency cannot meet the deadline, they need to write a letter to the Capital Development Committee (CDC) stating why they cannot meet the requirement and asking the CDC to request that the State Controller approve a waiver.

PROCEDURAL STEPS:

- Step 1:** Governor signs and dates bill (Long Bill, supplemental, or special).
- Step 2:** FAST determines the six month deadline date. (Six months is counted from the date the bill is signed by the Governor.)
- Step 3:** The state agency creates an appropriation code in the COFRS APP2 table. The end date on the appropriation code in the COFRS APP2 table should be the six month date determined by FAST. The state agency requests FAST approval of the appropriation code.
- Step 4:** If state agency complies with the six month encumbrance requirement during the period, they should contact FAST so that the COFRS APP2 end date can be extended to the fiscal year end.
- Step 5:** FAST contacts each state agency at least one month before the deadline date reminding them of the approaching six month cut-off date.

- Step 6:** On the APP2 expiration date, the appropriation code will no longer be available for any accounting or budget transactions. In addition, the SCO will no longer approve contracts for projects that did not meet the deadline.
- Step 7:** If the state agency did not meet the deadline, or does not feel they will meet the deadline before it occurs, they need to contact the staff of the CDC and explain why they cannot meet the deadline and request that the Committee recommend that the State Controller approve a waiver.
- Step 8:** If written waiver is granted, FAST will notify the state agency and the APP2 expiration date will be extended. If waiver is not approved, appropriation remains unavailable and will revert at the close of the fiscal year.

SECTION 5
RECORDING CAPITAL CONSTRUCTION PROJECT
APPROPRIATION CONTINUATIONS

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Project appropriations are available until the completion of the project or for a period of three years, whichever comes first in accordance with the headnotes to the capital construction section of the Long Bill. For the purposes of counting the three year period, year one begins on the first day the appropriation becomes available. For example, if the Governor approves a special bill with a capital construction appropriation on May 2, 2001, the three year calculation begins May 2, 2001. As long as a project is active and the appropriation is available, the appropriation may be carried into the subsequent fiscal year.

In the spring of each fiscal year, FAST will distribute to each state agency, with any projects, a Capital Construction Continuing Appropriations Status Form (CCCAS). This form is intended as a turn-around form to be used by state agencies to support their request for project appropriation continuation. There will be two parts of the form. One part is for projects that are at the end of their three year life and should be reverted at the end of the current fiscal year, and the other part of the form is for projects still within their three year life.

The CCCAS form for continuing projects lists each appropriation by name and short name (which includes the project number), Long Bill Line Item number, state agency, fund, appropriation code, funding code, the fiscal year the project expires, the project's original legislation, and the project's last legislation (if different from the original). Project continuation requests are done on a project-by-project basis at the state agency initiation. The state agency may request continuation of all of their projects on a single form, may request each project continuation separately by submitting a form with each request at different times, or may use some combination of the two methods. Due dates for CCCAS forms will be published annually in the SCO Open and Close Instructions.

Projects appropriated in the most recent Legislative session will not be included on the CCCAS form. This includes Long Bill, special bills, and new projects in supplemental bills. However, this process applies to those projects, with the exception of not completing the CCCAS form.

Please refer to the ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS section of Chapter 2, Section 1 for further information in this area.

PROCEDURAL STEPS:

There are four actions that can take place based on the CCCAS form. The request can be to:

- ♦ Continue a project appropriation;
- ♦ Revert the excess amount of a completed project*;
- ♦ Revert an expired project*; or
- ♦ Continue an expired project.*

* The discussion on these items can be found in Chapter X.
--

Continuing a Project Appropriation:

Step 1: FAST distributes the CCCAS forms to the state agencies.

Step 2: The state agency completes CCCAS turn-around form by justifying the carry forward, indicating that it is in fact a request for a carry forward, entering the beginning budget, entering the remaining budget, listing the Fiscal Year AP transaction for the carry forward, and obtaining the appropriate signatures.

Step 3: The state agency prepares and approves an error free AP transaction. The amount to be carried forward is the unexpended amount at the close of the previous fiscal year. AP used to complete this action must use SAI "08".

Step 4: The state agency submits the AP and CCCAS form to FAST.

SC 4.1's are not required where the full appropriation has been supported by a previous SC 4.1 and is recorded as available spending authority. If there is any amount restricted at the end of a fiscal year and the amount needs to be carried forward, it must be carried forward as restricted. The state agency must complete an SC 4.1 and forward it to SBP for approval if they wish to have the amount unrestricted in the new year.

Step 5: If the continuation takes place prior to the close of the previous fiscal year, the appropriation code for the ending year will be de-activated at the time the appropriation for the new year is approved. This is done to prevent simultaneous spending in two fiscal years.

NOTE: It is advisable not to submit capital construction project continuations until after the purchase order roll-over process is completed. The appropriation code should be activated in the new year with a \$0 AP transaction (see below), but the actual carry forward should not take place until all encumbrances have been established in the new year and cleared from the old year.

Appropriation Code Activation Prior to Carry-forward:

A \$0 AP may be processed in the new fiscal year if it is necessary to record a transaction against a project's appropriation code prior to the carry-forward of the project's appropriation. As a reminder, if the state agency is using COFRS Extended Purchasing System (EPS), the appropriation code for the upcoming year must be activated by the close of Period 12 of the current year to accommodate the purchase order roll-over process. This situation is a good example of the need for \$0 AP.

- Step 1:** The state agency prepares and approves an error free AP transaction that activates an appropriation code with a \$0 amount. AP used to complete this action should use SAI "08".
- Step 2:** The state agency submits AP transaction to FAST with a narrative justification of why code needs to be activated prior to the carry-forward.

SECTION 6
**RECORDING TRANSFERS BETWEEN CONTROLLED
MAINTENANCE AND/OR EMERGENCY MAINTENANCE
PROJECT APPROPRIATIONS**

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Per CRS 24-30-1303.7, the Executive Director of General Support Services (GSS) may approve a transfer from one controlled maintenance project appropriation to another controlled maintenance project appropriation or to an emergency maintenance project. Requests for transfers of this type must be directed to SBP. Upon approval, an SC 4.1 accompanied by completed and approved AP documents must be submitted to FAST.

Please refer to the ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS section of Chapter 2, Section 1 for further information in this area.

PROCEDURAL STEPS:

The focus of the steps in this section is to discuss the processing of transactions after SBP has approved the state agency's emergency or transfer request. There are three potential transfer types:

- ♦ Transfers from a state agency to GSS;
- ♦ Transfers from one state agency to another - not GSS; and
- ♦ Transfers within a state agency between projects.

Transfers from a state agency to GSS

Step 1: SBP forwards appropriate paperwork and SC 4.1 to GSS Administrative Services Section. Please see Chapter III, Emergency Maintenance Projects, for additional discussion in the area of transferring controlled maintenance funds to GSS for emergency purposes.

Step 2: GSS Administrative Services, if necessary, creates an appropriation code in the COFRS APP2 table and requests FAST approval .

Step 3: GSS Administrative Services prepares and approves an AP or TA document, and forwards transaction, SC 4.1, and related paperwork to FAST for approval. SAI code "07" must be used on APs for this action.

Transfers from one state agency to another - not GSS

Step 1: SBP forwards appropriate paperwork and SC 4.1 to FAST .

Step 2: Impacted state agencies create AP transactions using an SAI code of “07”, and forwards those APs to FAST.

Step 3: When FAST has received all required information; SC 4.1, SBP approval, and APs, they will approve the transactions and SC 4.1.

Transfers within an state agency between projects

Step 1: SBP forwards appropriate paperwork and SC 4.1 to FAST.

Step 2: Impacted state agency creates AP transaction to decrease one project and increase the other. SAI code “07” must be used on APs for this action. State agency forwards APs to FAST for approval.

Step 3: When FAST has received all required information; SC 4.1, SBP approval, and APs, they will approve the transactions and SC 4.1.

SECTION 7
RECORDING APPROPRIATIONS OF THE AMERICAN'S
WITH DISABILITIES ACT

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

In order for state facilities to be in compliance with the federally mandated American's with Disabilities Act (ADA), the State Legislature has appropriated money to the Governor's Office to complete retrofit projects to make state buildings accessible to individuals with disabilities. The Governor's Office has allocated these funds to various state agencies where the construction and accounting takes place. However, all budgetary activity related to these projects takes place in the Governor's Office, COFRS agency ECB.

Please refer to the ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS section of Chapter 2, Section 1 for further information in this area.

PROCEDURAL STEPS:

The focus of the steps in this section is to discuss the processing of transactions after an agreement between OSPB and a state agency has been reached.

- Step 1:** The state agency submits request to the Governor's Office of State Planning and Budgeting (OSPB) for an allocation of ADA moneys for a project.
- Step 2:** If approved, the state agency and OSPB negotiate an agreement.
- Step 3:** Governor's Office prepares an AP transaction to record the approved allocation of funds. NOTE: six months rule applies to ADA allocations with the time period beginning on the date of allocation.
- Step 4:** The state agency gets COFRS security access to COFRS agency code ECB.
- Step 5:** The state agency processes appropriate accounting activity against the appropriation.
- Step 6:** The Governor's Office will process opening budget entries to carry-forward projects for as long as they are active and available.

CHAPTER III EMERGENCY MAINTENANCE PROJECTS

PURPOSE:

The purpose of this procedure is to provide direction for state agencies to apply for emergency maintenance funds.

DEFINITIONS:

See Chapter 1, Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Establish New Emergency Maintenance Projects

If an emergency arises (i.e., broken water pipe, boiler failure, etc.) and the expense is anticipated to be over \$5,000, the state agency must do the following to obtain funds:

- ♦ Contact State Buildings Program (SBP) (see Exhibit “A” of this Chapter);
- ♦ Complete an emergency project questionnaire and emergency project budget (see Exhibit “B” and “B-1” of this Chapter); attach a proposal from the contractor; and
- ♦ Mail or fax the questionnaire and budget to SBP.

SBP will review the questionnaire/budget and may request additional information. If SBP approves the emergency project, they will:

- ♦ Assign a project number.
- ♦ Prepare an SC 4.1 form to set-up the project with the signature of the Director of SBP and a transmittal memorandum.
- ♦ Forward the memorandum and SC 4.1 form to GSS, Executive Director’s Office to establish the emergency maintenance project.

When the emergency maintenance project has been established, a copy of the SC 4.1 and confirmation memo (see Exhibit “C” of this Chapter) will be returned to the state agency.

Transfer of Controlled Maintenance Funds to Establish Emergency Maintenance Projects

Controlled maintenance funds can be transferred to establish an emergency maintenance project (CRS 24-30-1303.7). The agency must do the following to transfer funds:

- ♦ Complete the emergency project questionnaire and emergency project budget (see Exhibit “B” and “B-1” of this Chapter);
- ♦ Complete an SC 4.1 form to decrease the controlled maintenance project; (**Note:** Only the Director of SBP can sign for SBP in the appropriate signature block).
- ♦ Enter an “AP” transaction to decrease the controlled maintenance project; and
- ♦ Send the packet to SBP for approval and signature.

SBP will review the packet and may request additional information. If SBP approves the emergency maintenance project, they will:

- ♦ Assign a project number.
- ♦ Complete an SC 4.1 form to transfer the controlled maintenance funds to the new emergency project and set-up the project with the signature of the Director of SBP and a transmittal memorandum
- ♦ Forward memorandum, emergency maintenance project SC 4.1, controlled maintenance project funds transfer SC 4.1, and AP decreasing the controlled maintenance project to GSS, Executive Director’s Office to establish the emergency maintenance project.
- ♦ Forward a copy of the memorandum, emergency project questionnaire and emergency project budget to the Division of Human Resource Services, Risk Management Section to process an insurance claim. Insurance claims will not be possible in all cases due to age of the roof, chiller, boiler, etc.

When the emergency maintenance project has been established, a copy of the SC 4.1 and confirmation memorandum will be returned to the state agency. State Controller’s Office Field Accounting Services Team will return the controlled maintenance project funds transfer SC 4.1 to the state agency.

When the controlled maintenance funds are transferred to establish the emergency maintenance project, the funds are controlled and disbursed by GSS, Executive Director’s Office. All contracts, purchase orders and payments must be approved and processed through the SBP and encumbered and paid by GSS, Executive Director’s Office using emergency maintenance funds. Upon completion of the project, any remaining funds will be returned to the original controlled maintenance project through SBP.

Emergency Maintenance Projects Covered by Insurance

If a state agency files with the Division of Human Resource Services, Risk Management Section a claim for insurance reimbursement on an emergency maintenance project, the state agency must contact SBP immediately. Any insurance proceeds must be reimbursed to the emergency fund.

SECTION 1
PREPARING A PURCHASE ORDER
FOR AN EMERGENCY PROJECT

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Amounts can be committed by a state agency for issuing purchase orders (PO) for the following:

- ♦ Equipment, materials, and supplies.
- ♦ Purchase orders containing labor equal to or less than \$25,000 without prior approval from SBP or a qualified architect/engineer.
- ♦ Purchase orders containing labor equal to or less than \$50,000 with review and approval by SBP or a qualified architect/engineer.

State Fiscal Rule 2-2.01 requires purchase orders for commitments of \$3,000 or more.

PROCEDURAL STEPS:

The focus of the steps in this section is to discuss the processing of purchase orders.

- Step 1:** The state agency creates a purchase order from within the state agency or from the Division of Purchasing. NOTE: Because the funds are within GSS, the purchase order will need to be hand typed; you will not be able to enter it into the COFRS system.
- Step 2:** Reference the emergency maintenance project number and COFRS agency code on the purchase order.
- Step 3:** Forward the purchase order with a memo of the contact name, return address or fax number to SBP for verification that the purchase is within the scope of the project. After SBP approves the purchase order, it will be forwarded to GSS.
- Step 4:** GSS enters a PO transaction into the COFRS system to encumber the funds against the emergency maintenance project and approve the transaction.
- Step 5:** Once the encumbrance is accepted, GSS will generate a screen print and mail or fax it to the state agency.

SECTION 2
PREPARING A CONTRACT
FOR AN EMERGENCY PROJECT

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

All contracts, amendments, supplements, and change orders must be forwarded to SBP for approval. Three originals plus one copy of contracts, amendments, supplements, and change orders must be submitted for approval and signatures.

NOTE: Delegation from SBP, the Attorney General's or State Controller's Offices does not apply on emergency projects. **Do not sign for SBP, the Attorney General or the State Controller.** However, contracts, amendments, supplements, and change orders must be signed by the principal representative to commit the state agency to the project.

- ♦ A contract, amendment, supplement or change order submitted to SBP for approval must have all vendor and state agency signatures (i.e. the principal representative) affixed to the contract, amendment, supplement or change order.
- ♦ SBP will forward the signed contract, amendment, supplement or change order to GSS.

The method of preparing for, or meeting, each requirement is described as a step in the following procedure step section.

PROCEDURAL STEPS:

- Step 1:** Forward signed contract, amendment, supplement, or change order with a memo containing agency contact, phone number and fax number to SBP for approval and signature by SBP.
- Step 2:** SBP approves the contract, amendment, supplement or change order and forwards it to GSS.
- Step 3:** GSS enters the CLIN record and encumbers the funds and forward to next signature authority.
- Step 4:** When contract, amendment, supplement or change order has been fully executed, the SCO will return the executed contract, amendment, supplement or change order to GSS. GSS will maintain a copy and forward remaining copies and attachments to SBP for distribution.

SECTION 3
PREPARING A VENDOR PAYMENT
FOR AN EMERGENCY PROJECT

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Payments for emergency maintenance project can only be paid from the emergency maintenance fund. State agencies are not authorized to enter payments into the COFRS system since the fund is controlled by GSS.

Vendor federal identification numbers must be established for all payments made from the emergency maintenance fund. The state agency will reference the vendor's federal identification number on all payments submitted for payment.

PROCEDURAL STEPS:

- Step 1:** Receive documentation in the form of invoices, applications for payment, or certificate for contractor's payment. Review the documentation for reasonableness.
- Step 2:** An original vendor invoice, architect/engineer application, or certificate for contractors payment plus one copy must be forwarded to SBP. Agency personnel are required to sign the purchase order, indicate it is acceptable to pay, and date it.
- Step 3:** SBP reviews documentation and forwards the original(s) to GSS for entry into the COFRS.
- Step 4:** A warrant will be issued and mailed to the vendor by GSS.

NOTE: If the state agency wants a copy of the payment voucher, they need to state that in a memorandum and give a return address and contact name. If this is a final payment and the project is complete, the state agency will need to fill out a project completion form (see section on Emergency Project Completion).

SECTION 4
EMERGENCY PROJECT COMPLETION

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

SBP has determined that six months is sufficient time to complete and close out an emergency project. If there are extenuating circumstances, the state agency needs to send a letter to SBP requesting a waiver of the six month rule, explaining the reason for the delay and projecting a completion date.

When a project is complete, the agency must:

- ♦ Prepare “Project Completion” form (see Exhibit “D” of this Chapter).
- ♦ Send the original and one copy to SBP.

Any remaining funds will be returned to the main emergency fund by SBP.

SECTION 5
CAPITALIZATION OF EMERGENCY MAINTENANCE
PROJECTS

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

At the fiscal year end, GSS will create a report of all emergency maintenance projects. Emergency maintenance projects that are not complete will be recorded on COFRS by GSS as construction in progress. Emergency maintenance projects that are complete and under \$50,000 are reported to the State Controller's Office for inclusion in the Statewide Cost Allocation Plan (SWCAP). The cost of the project is billed back to the state agency. Emergency maintenance projects that are complete and over \$50,000 are reported to the state agency to capitalize on their books.

EXHIBIT A
Contact Listing

Project Information

State Buildings Program
225 East 16th Street, Room 900
Denver CO 80203
Phone: 303-866-6135
Fax: 303-894-7478
Contact: Carol Lieber
Phone: 303-866-3158
Fax: 303-894-7478

Encumbrance/Payment Information

General Support Services
Executive Director's Office
1525 Sherman, Room 200
Denver CO 80203
Phone: 303-866-6544
Fax: 303-866-6569
Contact: Sue Brooks

EXHIBIT B
Emergency Project Questionnaire

DATE _____

1. Brief description and location of the problem:

2. To the best of your knowledge, when did the problem begin and to what extent has it worsened?

3. Does the problem pose any immediate health or safety hazards? Please explain:

4. Please provide an approximate cost to repair the problem now versus waiting and repairing at a later date. (**NOTE:** \$5,000 minimum).

5. To what extent is the problem disrupting operations, causing damage or deterioration and/or causing financial loss to the State of Colorado?

6. Please provide any additional information that might qualify this problem for emergency funding:

7. Is this event is eligible for insurance reimbursement? If so, have you contacted Risk Management?

Agency Contact: _____
Phone #: _____

State Agency Name: _____
Date Prepared: _____

ATTACH ADDITIONAL INFORMATION IF NECESSARY

EXHIBIT B-1
Emergency Project Budget

Agency: _____

Project Title: _____

Total Amount Requested \$ _____

Budget Request

I. Professional Services

A.	Architectural/Engineering Services	\$ _____	
B.	Construction Services	\$ _____	
C.	Site/Soil Surveys	\$ _____	
D.	Other	\$ _____	\$ _____

II. Construction or Improvement

A.	Structure (General, Mechanical & Elec.)	\$ _____	
B.	Sewer (Sewer, Water, Gas & Electricity)	\$ _____	
C.	Site Improvement (Roads, Walks, Grading)	\$ _____	
D.	Other	\$ _____	\$ _____

III. Project Contingencies (10%) \$ _____

IV. Equipment \$ _____

V. Other \$ _____

VI. Total \$ _____

ATTACH CONTRACTOR'S PROPOSAL

EXHIBIT C
Confirmation Memorandum

TO:

FROM: GSS Executive Director's Office

DATE:

SUBJECT: *Project Application - SC 4.1*

Enclosed please find the approved project application (SC 4.1) for your Emergency Project.

Project Name: _____

Project Number: _____

Appropriation Code: _____

Fund/state agency number: _____

Total Appropriation: _____

If you have any accounting questions regarding this project, please call 303-866-6544 or if you have any general project questions call SBP at 303-866-6135.

Thank you.

Attachment

EXHIBIT D

*Memo for Project Completion
(attach to final Project Invoice)*

State Buildings Programs
225 East 16th Street, Room 900
Denver CO 80203

Notification of Completion of Emergency Project.

Project Name	_____
Project Number	_____
Appropriation Code	_____
Fund/state agency	_____
Total Appropriation	_____
Total Expenditures	_____
 Project Balance	 _____

Signature: _____

Title: _____

Date: _____

Do not write below this line

For State Buildings Program use only:

Project Start Date: _____

Project Completion Date: _____

CHAPTER IV PURCHASE REQUISITIONS

PURPOSE:

Enable state agency personnel to prepare and enter purchase requisition transactions into COFRS for capital construction projects. Purchase requisitions (RQ or RX) pre-encumber capital construction appropriations for the purchase of equipment, furniture, materials and supplies, trade services, and contractual liabilities.

A COFRS purchase requisition transaction will reduce the available appropriation balance of a project. COFRS will issue an appropriation overspending warning message on the document if spending authority is not available, but will not cause a warrant to be held.

DEFINITIONS:

See Chapter 1 Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Capital construction purchases are subject to State Fiscal Rules and Procurement Rules.

It is necessary to record purchase requisitions to the fund, agency, and appropriation code to which the payment will be recorded. When a requisition document is referenced on an encumbrance document it carries the accounting information to the encumbrance document. When an encumbrance document is referenced on a payment voucher it carries the accounting information to the payment voucher. Purchase requisitions are forwarded to purchasing for the issuance of a purchase order or a contract and the recording of an encumbrance document in the amount of the purchase order or contract issued.

A purchase requisition transaction must not be entered in COFRS to record a commitment in the capital construction fund unless it complies with Fiscal Rules. Please note State Fiscal Rule 4-2 states:

“All funds appropriated from the State Capital Construction Fund shall be used for their intended purpose. A State Agency shall not use Capital Construction Funds to pay or reimburse State employees for construction management, administrative activities, direct labor performed, or any other expense outside the scope of the Capital Construction or Controlled Maintenance Project.”

State agency in-house work orders must have prior written approval by the state controller.

In order to purchase equipment or furniture for a project, the project appropriation must be specifically for equipment or furniture, new construction, or the remodel of an existing building. In addition, the project application must specify that equipment or furniture is to be included in the project and the amount allocated for the purchase of the equipment or furniture.

A purchase requisition must be recorded so that a purchase order or contract encumbrance may be processed in COFRS for all purchases within the capital construction fund of \$3,000 or more. A purchase order or contract may be required for a purchase of less than \$3,000 if required by State Fiscal Rules or the agency's purchasing regulations.

SECTION 1
**PREPARING AND RECORDING A CAPITAL
CONSTRUCTION PURCHASE REQUISITION**

PROCEDURAL FOCUS:

A capital construction purchase requisition transaction is prepared in the same manner as non-capital construction purchase requisition transactions.

PROCEDURAL STEPS:

- Step 1:** Receive request from within your state agency for commitment to purchase. Specifications should be included in the request.
- Step 2:** Determine the correct accounting codes to be used to record a COFRS purchase requisition for the commitment request.
- Step 3:** Verify that the product or service for which a purchase requisition transaction is being requested is within the scope of the project.
- Step 4:** Verify that the total previous expenditures, encumbrances, and pre-encumbrances do not exceed the total amount of the project as allowed on the project application. Requisitions for fixed and movable equipment/furniture should not exceed the amount indicated on the project application for equipment as adjusted by any previous requisitions, encumbrances and/or expenditures.
- Step 5:** Verify that furniture requested will be used only as follows:
- ♦ For the remodel of a building when the purpose of the building has changed;
 - ♦ In a newly constructed building; or
 - ♦ Is being charged to a specific appropriation for the purchase of furniture.
- Step 6:** Prepare a state purchasing requisition form (#395-53-05-2141) which identifies the product or service to be purchased, estimated cost, possible vendors, and the accounting distribution to be made for the purchase.
- Step 7:** Access and complete the COFRS start-up screen for data entry.

- Step 8:** Complete the COFRS header screen of the requisition transaction (RQ or RX) using the estimated amount of the purchase as the document total amount. Procedures for recording an RQ transaction in COFRS can be found in COFRS User Reference Manual, Volume 3, Chapter 3, Section 3. Procedures for recording an RX transaction in COFRS can be found in COFRS User Reference Manual, Volume 5, Section 12.
- Step 9:** Complete the COFRS line screen of the requisition transaction.
- Step 10:** Edit the requisition transaction and correct any errors.
- Step 11:** Print the entered requisition transaction screen.
- Step 12:** Attach the screen print of the requisition transaction to the purchase requisition form.
- Step 13:** Attach specifications and/or bids to the purchase requisition form.
- Step 14:** Forward purchase requisition form with attachments to state agency purchasing authority.

SECTION 2
APPROVING A PURCHASE REQUISITION

PROCEDURAL FOCUS:

If your state agency follows all of the procedural steps included in the following section of this Chapter for approving a capital construction purchase requisition and adheres to all of the criteria for approving a purchase requisition presented in these guidelines, the State Controller's Office will consider your approval review to be adequate.

PROCEDURAL STEPS:

- Step 1:** Receive documentation in the form of a state purchasing requisition form (#395-53-05-2141). A screen print of a requisition transaction, and all supporting information.
- Step 2:** Review the requisition transaction for the following elements, do not approve the RQ or RX transactions when they are missing:
- ♦ A screen print of the header and line screen;
 - ♦ A copy of a state purchasing requisition form; or
 - ♦ An authorizing signature on the purchase requisition.
- Step 3:** Review the following elements of the requisition transaction, and do not approve the requisition when the following conditions exist:
- ♦ The fund, agency, and appropriation code are incorrect for the commitment;
 - ♦ The requisition transaction amount does not equal the amount on the supporting documentation;
 - ♦ COFRS error codes exist on the requisition transaction. A requisition cannot be approved until it has a message on the bottom of the header screen stating that it is awaiting level 3 approval;
 - ♦ The product or service being purchased is not within the scope of the project;
 - ♦ The total amount of the requisition plus any previous expenditures, encumbrances and pre-encumbrances exceed the total amount of the project as allowed on the project application;

- ♦ Any amount of the requisition for fixed and movable equipment/furniture plus any previous expenditures, encumbrances, and pre-encumbrances for fixed and movable equipment/furniture exceed the total of the equipment line amount on the project application; or
- ♦ The requisition is for the purchase of furniture and is a charge to an appropriation that does not meet one of the following conditions:
 - ♦ A remodel of a building when the purpose of the building has changed;
 - ♦ Construction of a new building; or
 - ♦ Is charged to a specific appropriation for purchase of furniture.

Step 4: Apply Level 3 approval to requisition transaction.

Step 5: Schedule document for off-line processing.

Step 6: Send the following directly to the Division of Purchasing or your state agency purchasing authority:

- ♦ The white copy of the purchase requisition form with the requisition document number written and highlighted in the upper right hand corner of the form.
- ♦ The screen print of the approved requisition document.
- ♦ All supporting documentation. The State Purchasing Division or your State Agency purchasing authority will issue a purchase order or require the State Agency to draft a contract based on the information they receive. They will also enter an encumbrance document into COFRS. The requisition document must be referenced on the encumbrance transaction so that the pre-encumbrance is liquidated.

CHAPTER V

PURCHASE ORDERS NOT RELATED TO A CONTRACT

PURPOSE:

The purpose of this procedure is to enable State Agency personnel to prepare, review, approve, and enter COFRS purchase order transactions, not related to contracts, into COFRS for capital construction projects. Purchase orders can be used within the capital construction fund to purchase equipment, furniture, materials and supplies, and trade services.

DEFINITIONS:

See Chapter 1 Section 2

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

State Fiscal Rule 4-1 allows the use of a purchase order to purchase furniture, equipment, and trade services (plumbers, electricians, roofers). Trade services are limited to \$25,000, unless the plans and specifications have been prepared by or reviewed and approved by a licensed architect or a registered engineer. If this is the case, a purchase order for trade services may be used to acquire services up to \$50,000. Trade services costing more than \$50,000 must always be acquired by state contract.

It is necessary to record encumbering purchase orders in the fund, agency, and appropriation code in which the payment will be recorded. When an encumbering document is referenced on a PV, the PV carries forward the accounting information from that document.

Correct vendor codes must be used for capital construction encumbrances. Miscellaneous vendor codes are not allowed.

A purchase order transaction must not be entered in COFRS to record a commitment in the capital construction fund unless it complies with State Fiscal Rules. Please note State Fiscal Rule 4-2 states:

“All funds appropriated from the State Capital Construction Fund shall be used for their intended purpose. A State Agency shall not use Capital Construction Funds to pay or reimburse State employees for construction management, administrative activities, direct labor performed, or any other expense outside the scope of the Capital Construction or Controlled Maintenance Project.”

State agency in-house work orders must have prior written approval by the state controller.

In order to purchase equipment or furniture for a project, the project appropriation must be specifically for equipment or furniture, new construction, or the remodel of an existing building. In addition, the project application must specify that equipment or furniture is to be included in the project and the amount allocated for the purchase of the equipment or furniture.

A purchase requisition must be recorded so that a purchase order or contract encumbrance may be processed in COFRS for all purchases within the capital construction fund of \$3,000 or more. A purchase order or contract may be required for a purchase of less than \$3,000 if required by State Fiscal Rules or the agency's purchasing regulations.

SECTION 1
**PREPARING A PURCHASE ORDER NOT RELATED
TO A CONTRACT**

PROCEDURAL FOCUS:

A capital construction purchase order transaction document is prepared in the same manner as non-capital construction purchase order transactions.

PROCEDURAL STEPS:

ENTERING AN ENCUMBRANCE DOCUMENT

- Step 1:** Receive a commitment in the form of a purchase requisition from within your state agency or from the Division of Purchasing.
- Step 2:** Determine the correct accounting codes to be used to record a COFRS encumbrance transaction for the commitment.
- Step 3:** Verify that the product or service being purchased is within the scope of the project.
- Step 4:** Verify that the total previous expenditures, encumbrances, and pre-encumbrances including the encumbrance that will be recorded does not exceed the total amount for the project as allowed on the project application.
- Step 5:** Verify that the total expenditures, encumbrances and pre-encumbrances for fixed and movable equipment/furniture do not exceed the equipment amount line on the project application.
- Step 6:** Verify that furniture requested will be used only as follows:
- ♦ For the remodel of a building when the purpose of the building has changed;
 - ♦ In a newly constructed building; or
 - ♦ Is being charged to a specific appropriation for the purchase of furniture.
- Step 7:** Check the vendor file for the vendor code and address of the vendor. When completing step 6, you should use the “VNAM” Table and the “VFED” Table to attempt to determine if the vendor already exists on the vendor file. Instruction for properly using these tables have been issued by the State Controller’s Office. If you

do not have these instructions, please call the Central Accounting Operations Section of the State Controller's Office to obtain them.

- Step 8:** If the vendor does not exist on the vendor file, obtain the correct taxpayer identification number from the vendor by having the vendor complete a W-9 form, then add the vendor to the COFRS vendor file (VEND).
- Step 9:** Access and complete the COFRS start-up screen for data entry.
- Step 10:** Complete the COFRS header screen of the encumbrance transaction. The document total is the amount for which the purchase order was issued. Procedures for recording an encumbrance transaction in COFRS can be found in the COFRS User Reference Manual, Volume 3, Chapter 3, Section 3. Procedures for recording a PC or PD transaction in COFRS can be found in Volume 5, Section 12.
- Step 11:** Complete the COFRS line screen of the encumbrance transaction.
- Step 12:** Edit the encumbrance transaction and correct any errors.
- Step 13:** Print the entered encumbrance transaction screen.
- Step 14:** Attach the purchase order to screen print of encumbrance transaction and forward to state agency approving authority.

SECTION 2
APPROVING A CAPITAL CONSTRUCTION PURCHASE
ORDER NOT RELATED TO A CONTRACT

PROCEDURAL FOCUS:

If your state agency follows all of the procedural steps included in the following section of this Chapter for approving a capital construction purchase order and adheres to all of the criteria for approving a purchase order presented in these guidelines, the State Controller's Office will consider your approval review to be adequate.

The approval of an encumbrance transaction related to a contract is not part of this guideline.

PROCEDURAL STEPS:

FOR REVIEWING AND APPROVING ENCUMBRANCE DOCUMENTS

Step 1: Receive documentation in the form of a screen print of an encumbrance transaction and supporting documents.

Step 2: Review the encumbrance transaction for the following elements and do not approve the encumbrance transaction when any of these elements are missing:

- ♦ Screen print of the header and line screen;
- ♦ Copy of the purchase order to be issued to the vendor; or
- ♦ Valid signature authorizing commitment.

Step 3: Review the following elements of the encumbrance transaction and do not approve the encumbrance transaction when the following conditions exist:

- ♦ Accounting information - the fund, agency, and appropriation code are incorrect for this commitment;
- ♦ Amount - the encumbrance transaction amount does not equal the amount on the supporting documentation;
- ♦ Miscellaneous vendor code is used;

- ♦ COFRS error codes exist on the encumbrance transaction. No transaction is to be approved until it has a message on the bottom of the screen stating that it is awaiting level 3 approval;
- ♦ That the product or service being purchased is within the scope of the project;
- ♦ The total previous expenditures, purchase orders, and purchase requisitions for purchases plus the encumbrance that will be recorded for the current purchase order exceed the total amount of the project as allowed on the project application;
- ♦ The total previous expenditures, purchase orders, and purchase requisitions for the purchase of fixed and movable equipment/furniture plus the encumbrance to be recorded for fixed and movable equipment/furniture exceed the equipment amount as allowed on the project application; or
- ♦ The purchase order is for the purchase of furniture and is a charge to an appropriation that does not meet one of the following conditions:
 - ♦ A remodel of a building when the purpose of the building has changed;
 - ♦ Construction of a new building; or
 - ♦ Is charged to a specific appropriation for purchase of furniture.

Step 4: Apply level 3 approval to encumbrance transaction.

CHAPTER VI CONTRACTS

SECTION 1 ***PREPARING AND SUBMITTING A CONTRACT FOR APPROVAL BY THE STATE CONTROLLER***

PURPOSE:

The purpose of this procedure is to provide guidance for state agencies to submit original contracts, amendments, change orders, and supplements to capital construction contracts to the state controller or his delegate for approval. For complete instructions for both delegated and non-delegated state agencies please review Annex A of the Contract Procedures and Management Manual and the Contract Processing Guide procedures issued by the State Controller's Office.

DEFINITIONS:

See Chapter 1 Section 2

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS

All capital construction contracts must comply with State Fiscal Rules, specifically Rule 3-1 Contracts and 4-1 through 4-3 Projects.

All contracts, amendments, change orders, and supplements are required to be sent for review and approval per the contract routing instructions described in Chapter 2 of the Contract Processing Guide.

All capital construction contracts, amendments, change orders, and supplements to contracts must be approved by the Director of State Buildings or by state agency personnel delegated to sign for the State Buildings Program; however, there are several state departments that are exempt from this rule by statute, such as Natural Resources and Transportation.

When state agencies acquire the services of a vendor under contract to the State Buildings Program through a master contract or a task order contract, they are required to encumber the funds needed to pay for these services.

All capital construction contracts and contract amendments must be reviewed by the Attorney General's office or an attorney delegated by the state controller prior to approval by the state controller or state controller delegate.

State Fiscal Rule 4-1 allows the use of a purchase order to purchase furniture, equipment, and trade services (plumbers, electricians, roofers). Trade services are limited to \$25,000, unless the plans and specifications have been prepared by or reviewed and approved by a licensed architect or a registered engineer. If this is the case, a purchase order for trade services may be used to acquire services up to \$50,000. Trade services costing more than \$50,000 must always be acquired by state contract. In addition, all architectural, engineering, land surveying, industrial hygienist, and landscape architectural services must be acquired by state contract.

It is necessary to record encumbering documents in the fund, agency, and appropriation code in which the payment will be recorded. When an encumbering document is referenced on a payment voucher, the payment voucher carries forward the accounting information from that encumbering document.

Correct vendor codes must be used for capital construction encumbrances. Miscellaneous vendor codes are not allowed.

An encumbering transaction for a contract must not be entered in COFRS to record a commitment in the capital construction fund unless it complies with State Fiscal Rules. Please note State Fiscal Rule 4-2 states:

“All funds appropriated from the State Capital Construction Fund shall be used for their intended purpose. A State Agency shall not use Capital Construction Funds to pay or reimburse State employees for construction management, administrative activities, direct labor performed, or any other expense outside the scope of the Capital Construction or Controlled Maintenance Project.”

State agency in-house work orders must have prior written approval by the state controller.

PROCEDURAL FOCUS:

A contract, amendment, supplement or change order submitted to the State Controller’s Office for approval must:

- ♦ Be accompanied by a completed contract routing form.
- ♦ Be accompanied by an encumbrance document prepared for the amount of the contract, amendment, change order or supplement.
- ♦ Have all required signatures affixed to the contract before the state controller will approve the contract.

CHAPTER VII PAYMENTS

SECTION 1
ESTABLISHING A RETAINAGE ACCOUNT

PURPOSE:

Balance sheet liability accounts, called retainage accounts, are established to account for the state agency's liability for contract balances that are retained from payments to a contractor. The contractually arranged balances are retained by the state agency until the contractor has completed performance under the contract and a statutory advertisement has been made indicating that the retained balance of the contract is to be paid to the contractor as of a certain date.

Retainage balances are withheld from payment to a contractor until performance under the contract is completed and the final payment of the retained balance to the contractor is advertised for the following reasons:

- ♦ To pay for the correction of inadequate performance by other parties, if the contractor is unwilling to correct inadequacies that are identified by the state agency on the punch list for the project.
- ♦ To pay for the completion of incomplete or inadequate performance of the contractor's responsibilities under the contract, if the contractor is unwilling to complete items that are identified as incomplete by the state agency on the punch list for the project.
- ♦ To pay for subcontractors' and suppliers' claims made to the state agency against the contractor for services provided and materials purchased, for which the subcontractor or supplier has not been paid. State statutes require that retainage be withheld from capital construction contract payments because liens cannot be placed against state owned buildings. CRS 24-91-103.

Contractor deposits in lieu of withheld retainage may be found in Section 2.

DEFINITIONS:

See Chapter 1, Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

CRS 24-91-103 requires retainage to be withheld on all capital construction/controlled maintenance project contracts exceeding \$80,000.

- ♦ Retainage is required for a contract if the contract contains the required performance of labor other than professional services.
- ♦ Contracts for the performance of professional services do not require retainage.
- ♦ Retainage may be withheld for contracts under \$80,000 if a state agency believes it to be in the best interest of the state.

If retainage is required to be withheld, advertising the final settlement date of a contract is required.

PROCEDURAL FOCUS:

On COFRS, the balance sheet account #2315 has been established to be used by all state agencies to record retainages withheld. Each amount of retainage withheld is to be related to a specific contract and the liability for that retainage must be accounted for separately. State agencies that are initially accounting for appropriated capital construction projects on a system other than COFRS and feeding that data to COFRS, must adhere to the requirement to track contract specific retainages, but are not required to feed that retainage amount by reporting category code as described below.

State agencies must establish individual reporting category codes (COFRS table RPTC) for each contract for which retainage is required to be withheld. The appropriate reporting category code is then used when recording each liability in balance sheet account #2315 so that withholdings are tracked by contract. The reporting category class field should be completed as RTG to indicate retainage and the reporting category name field should indicate the name of the contractor, the project number and the contract encumbrance number.

State agencies may also establish an individual reporting category code for each subcontractor/supplier claim made against a contract. This reporting category is then used when recording the liability for subcontractor claims in balance sheet account #2315.

Before these reporting category codes can be established on COFRS, the three-digit reporting class code for retainage, "RTG" - Capital Construction Retainage and "REV" - Capital Construction Revenue, must be established in the reporting class table (RPCL). Though these reporting class codes are centrally defined, the reporting class table is a state agency controlled table, and the reporting class codes must be established for each fiscal year. Once these tables are established by a state agency, they will roll from year to year.

PROCEDURAL STEPS:

Each state agency is required to create a unique four-digit retainage or claim reporting category code for tracking retainage eligible contracts and subcontractor claims. Add it to the reporting category code table and use it as follows:

- Step 1:** Review the contract, purchase order or subcontractor claim to determine if retainage is required to be withheld per CRS 24-91-103.
- Step 2:** Establish the required reporting category code in COFRS.
- Step 3:** Write the reporting category code in the contract's permanent file for future reference.
- Step 4:** When processing payment vouchers for the contract and retainage is to be withheld, code the liability to balance sheet account #2315 and the appropriate reporting category code. Procedures for processing subcontractor claims are found in Section 4 of this Chapter.

SECTION 2
DEPOSITS OF SECURITIES IN LIEU OF WITHHOLDING
RETAINAGE

PURPOSE:

The purpose of this procedure is to enable state agency personnel to collect security deposits from contractors instead of withholding retainage from payments due, and to release security deposits from vendors when applicable.

DEFINITIONS:

See Chapter 1, Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

All construction/controlled maintenance contracts exceeding \$80,000 are required to have retainage withheld in accordance with CRS 24-91-103, 103.5 and 103.6. The same rules for collection and release of retainage apply to deposits of acceptable securities as funds withheld from contractor payments.

A contractor may provide acceptable securities to the state agency or through an escrow agreement instead of having funds withheld for retainage from his/her payments. Acceptable securities held by the state agency must be kept in a secure place or deposited with the state treasurer. State agencies should insure that they have a procedure in place so that securities can only be accepted and released by certain qualified employees.

If a state agency and contractor enter into an escrow agreement with a qualified custodian for acceptable securities, the state agency shall maintain a file of the escrow agreement and the balance of the contractor's account as provided by the qualified custodian.

SECTION 3
PREPARING AND APPROVING A PAYMENT VOUCHER

PURPOSE:

The purpose of this procedure is to assist state agency personnel in preparing, documenting and entering payment vouchers for capital construction projects into COFRS. Capital construction payments may only be approved for fixed and movable equipment/furniture, materials and supplies, professional fees, labor, retainage and advertising.

State agencies that initially account for appropriated capital construction projects on systems other than COFRS and feed that data to COFRS must meet payment requirements stated below except for actually making the payments on the COFRS system.

DEFINITIONS:

See Chapter 1, Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Project payments can only be paid from the capital construction fund or appropriated higher education plant fund. For state agencies who do not use COFRS to make initial capital construction payments, all payments fed by interface to the capital construction fund must arise from a direct payment in an account coded to cross to an appropriate capital construction account in COFRS. Payments made from an inappropriate fund cannot be reimbursed by any method from the capital construction fund. Vendor codes must be established for all project payments. Miscellaneous vendor codes cannot be used for processing any project payments.

A purchase requisition transaction must not be entered in COFRS to record a commitment in the capital construction fund unless it complies with Fiscal Rules (see Appendix F). Please note that Fiscal Rule 4-2 states:

“All funds appropriated from the State Capital Construction Fund shall be used for their intended purpose. A state agency shall not use Capital Construction Funds to pay or reimburse state employees for construction management, administrative activities, direct labor performed, or any other expense outside the scope of the Capital Construction or Controlled Maintenance Project.”

PROCESSING AND APPROVAL PROCEDURAL STEPS:

Payment vouchers are prepared for three types of payments made for capital construction projects:

- ♦ A payment for which retainage is not held.
- ♦ A payment for which retainage is held.
- ♦ A payment of a retained balance.

In COFRS, the header screen of the payment voucher is prepared in the same manner for the three types of payments noted above; however, the payment voucher line screen for each of the different payments is prepared differently.

If your state agency follows all procedure steps for processing a payment voucher and adheres to all of the criteria for approving a payment voucher presented in this guideline, the SCO will consider your approval review to be adequate.

Step 1: Receive documentation in the form of invoices, applications for payments, or certificate for contractors payment.

Step 2: Review the documentation for approval signatures.

- ♦ Approval signatures may be made on the actual invoice or on the accompanying receiving report signed by the principal representative or project manager of the state agency.
- ♦ Application for payment of architect/engineer fees require the signatures of the architect/engineer and the principal representative or project manager of the state agency.
- ♦ Certificates for contractor payments.
- ♦ Certificates for contractor payments for a project that does not involve an architect/engineer require these two signatures: The contractor and the principal representative or project manager of the state agency.
 - ♦ Certificates for contractor payments, where the services of an architect/engineer are being used, require these three signatures: The contractor, architect/engineer, and the principal representative or project manager of the state agency.

Step 3: Determine the accounting codes that are necessary to record the payment voucher in COFRS or identify encumbrance document to be referenced.

Step 4: Determine the amount of payment by performing the following:

A. *For payment of invoices:*

- ♦ Identify the total invoice amount approved by the principal representative or project manager for the state agency. Invoices must be used as the basis of preparing payment vouchers.

B. *For payments of architect/engineer applications:*

- ♦ Determine that the fees authorized column matches the amount of the original contract encumbrance plus any supplements, amendments, or reimbursables to the contract. If reimbursable expenses are encumbered, it is much easier to balance the remaining portion of the contract to the remaining encumbrance. This will also eliminate the need for a separate line on a COFRS payment voucher, as the total payment will be liquidated.
 - ♦ Verify that copies of receipts for reimbursable expenses are attached for billings included in the application.
- ♦ Verify the total payment by subtracting the “previous payments” from the total line. This sub-total will equal the amount of expenditure and encumbrance liquidation to be recorded on the payment voucher. It is also the amount of payment to be made.

C. *For payment of certificates for contractor payment:*

- ♦ Determine that the total contract value (TCV) is correct by comparing the “present contract value” to the original encumbrance for the contract plus or minus any modifications for change orders or amendments. If there is a total on the “net change by change orders” line, the change order summary box must be completed.
 - ♦ Determine the encumbrance liquidation amount, to be included on the payment voucher, by subtracting the total of the “less previous payments” line and the total of the “less retainage previous payments” line from “total amount due to date” line.
 - ♦ Verify amount of retainage to be held is 10 percent of TCV up to 50 percent of project or 5 percent of total TCV after 50 percent of project is completed.
 - ♦ Subtract the “amount of retainage this payment” line from the subtotal calculated above. This calculated amount is the payment amount and will be listed on a COFRS payment voucher header as the document total.

Step 5: Access the COFRS start-up screen for data entry and enter the payment voucher header screen.

- ♦ Enter the certificate number, application number, or invoice number in the invoice field.
- ♦ Detailed procedures for recording a payment voucher in COFRS may be found in COFRS User Reference Manual, Volume 3, Chapter 3, Section 3.
- ♦ If the expenditure was encumbered by a transaction input on the extended purchasing system on the COFRS module (EPS), enter the appropriate receiver transaction (RC) and or vendor invoice transaction (VI) to generate the automatic payment voucher. Detailed procedures for using the EPS module may be found in COFRS User Reference Manual, Volume 5, Chapter 4, Section 12.

Step 6: Complete the COFRS line screen of the payment voucher.

A. *Payments for which retainage is not held:*

- ♦ Record the encumbrance liquidation portion of the payment by referencing the encumbrance document on the first line of the line screen and entering the amount in the “amount” field. Indicate whether the payment is a partial or total liquidation of the encumbrance by entering a “P” or “F” in the P/F Field.
 - ♦ Payments for amounts not encumbered must be recorded on a separate line.

B. *Payments for which retainage is held:*

- ♦ The correct amount of retainage held is computed as follows:
 1. Compute 10 percent of “total amount due to date” line, when this amount is less than 50 percent of TCV;
 2. Compute 5 percent of TCV, when “total amount due to date” is greater than 50 percent of TCV; or
 3. Compute three times the amount of any punch list awaiting completion.
- ♦ Record the encumbrance liquidation portion of the payment by referencing the encumbrance document on the first line of the line screen. Refer to Step 4C for the amount to be entered in the amount field on this line. This line of the payment voucher should be entered as an increase (I) on the Increase/Decrease field. Indicate whether the payment is a partial or total liquidation of the encumbrance by entering a “P” or “F” in the P/F Field.

- ♦ Record the retainage to be withheld on the second line of the line screen by crediting balance sheet account #2315 and the correct reporting category code for the vendor. This amount is equal to the computation from Step 6B minus any previous retainage withheld. This amount is found on the certificate for contractor payment on the “amount of retainage this payment” line. This line of the payment voucher should be entered as a decrease (D) on the Increase/Decrease field.
 - ♦ For automatic payment vouchers generated by the EPS module of CORFS, an additional line.

C. *For payments of retainage:*

Make the payment if you:

- ♦ Verify that a copy of the notice of contractor’s settlement is attached to the certificate for contractor payment.
 - ♦ Determine that the advertisement for final payment has been completed in accordance with CRS 38-26-107.
 - ♦ Obtain a written certification from the principal representative and project manager that the state agency has not received “verified statements of claims” or “filings of lis pendens” within the ten days following the final date of advertising. The tenth day must end on a scheduled workday or be extended to a scheduled workday. Any claims received within this time period are considered valid, and retainage in the amount of the claim or claims shall not be released to the contractor. Claims are valid for a period of 100 days following the final date of advertising.
 - ♦ Obtain written certification for all “verified statement of claims” received within the ten days of the final date of advertisement and determine that a “filing of lis pendens” has not been recorded with the court within 100 days following the final date of advertisement. If a claimant has not filed a lawsuit by this time, the retainage should be released to the contractor after a Certificate of Contractors Payment has been received. Retainage for the amount of these court filings shall not be released to the contractor until notification of settlement or dismissal by the courts is received.
- ♦ Obtain written verification from the principal representative or project manager that the state agency has received a verified release of claim(s). Amounts equal to the verified release of claims may be released to the contractor.

- ♦ Record the amount of retainage being released on a line of the payment voucher line screen by debiting the balance sheet account #2315 and the correct reporting category code for the vendor.

Step 7: Forward an edited payment voucher screen print and attached documentation to the approving authority within your state agency.

Step 8: The approver receives and reviews the payment voucher and documentation in the form of an original invoice and/or receiving report, an application for payment, or a certificate for contractor payment.

Step 9: A payment voucher may not be approved if any of the following supporting documentation elements are missing:

A. A referenced encumbrance or requisition document on the payment voucher line screen for the amount of the expenditure for all applications for payment of architect/engineer fees, certificates of contractors payments, and invoices over \$3,000 or for payments under \$3,000 that have been encumbered because the regulations of the State Purchasing Division or the state agency purchasing authority require that a purchase order or purchase requisition be prepared.

B. Approving signatures for the following:

1. Invoices may be signed on the actual invoice by the state agency principal representative or project manager of the state agency, or may be accompanied by a receiving report signed by the state agency principal representative or project manager.

2. Applications for payment of architect/engineer fees require signature by the architect/engineer and the principal representative or project manager of the state agency.

3. Certificates for contractor payments.

- ♦ Certificates for contractor payments for a project that does not involve an architect/engineer require these two signatures: The contractor and the principal representative or project manager of the state agency.

- ♦ Certificates for contractor payments, where the services of an architect/engineer are being used, require these three signatures: The contractor, architect/engineer, and the principal representative or project manager of the state agency.

- C. A separate line on the line screen for balance sheet account #2315 and the correct reporting category for the contractor, whenever retainage is withheld or paid as required.
 - D. Proof of payment by an architect/engineer for reimbursable expenses being paid by the state agency.
 - E. A vendor address on the payment voucher header screen.
 - F. Adequate external documentation supporting the propriety of the expenditure for the following:
 - 1. A payment for which retainage is not held.
 - ♦ An architect/engineer payment application.
 - ♦ An invoice.
 - 2. A payment for which retainage is held.
 - ♦ A certificate of contractor payment.
 - 3. A payment of retained balance.
 - ♦ A copy of the advertising for final payment of a retained balance. Payment can be made no sooner than ten days following the final date of advertising. Payment date must be a scheduled workday. Retainage in the amount of valid claims may not be released, retainage in excess of valid claims may be released.
 - ♦ A written certification from the principal representative and project manager that no “verified statements of claims” or “filings of Lis Pendens” have been received within the 10 days following the date of the advertising.
 - ♦ A written certification from the principal representative and project manager that no notification of “filings of Lis Pendens against the contractor” have been received within the 100 days following the final date of the advertising.
- Step 10:** A payment voucher may not be approved if any of the following conditions exist on the payment voucher:
- A. The fund, agency, and appropriation code are incorrect for the expenditure.

- B. The vendor name on the payment voucher header screen does not match the vendor name on the invoice, the architect/engineer payment application, or the certificate for contractor's payment.
 - C. COFRS error codes exist on the payment voucher screen print. No payment voucher may be approved until it has a message on the bottom of the screen stating it is awaiting level 3 approval.
 - D. The payment amount is wrong for a payment for which retainage is not held.
- ♦ The architect/engineer payment application amount or the invoice amount does not match the amount of the payment on the COFRS payment voucher header screen.
- ♦ The additions and subtractions on the architect/engineer payment application are incorrect.
 - ♦ The total of the "fees authorized" column of the architect/engineer application for payment does not equal the current encumbrance balance in the sub-project for the contract in the COFRS project accounting module. Total fees authorized = original contract encumbrance + supplements + amendments + change orders + reimbursables (if reimbursables are encumbered by the state agency).
 - ♦ The "less previous applications amount" on the architect/engineer payment application does not equal the expenditures amount in the sub-project for the contract in the COFRS project accounting module.
- E. The payment amount is wrong for a payment for which retainage is held.
 - 1. The "total retainage to date" amount recorded on the certificate for contractor payment does not equal the following:
 - ♦ 10 percent of "total amount due to date" line, when this amount is less than 50 percent of TCV.
 - ♦ 5 percent of TCV, when "total amount due to date" is greater than 50 percent of TCV.
 - ♦ Three times the amount of any punch list awaiting completion.
 - 2. The additions and subtractions on the architect/engineer payment application are incorrect.

3. The amount due this period does not equal the amount entered on the COFRS payment voucher header screen.
4. The “less previous payment” amount on the certificate for contractor payment does not equal the expenditures amount in the sub-project for the contract in the COFRS project accounting module.

Step 11: If all above conditions are met, apply level 3 approval and schedule the payment voucher for processing.

SECTION 4
PROCESSING A SUB-CONTRACTORS OR
SUPPLIERS CLAIM MADE AGAINST A CAPITAL
CONSTRUCTION PROJECT

PURPOSE:

The purpose of this procedure is to provide guidance for state agency personnel when claims are filed by sub-contractor's and suppliers against a capital construction project. There are statutes that must be adhered to when processing these claims. These procedures will ensure compliance with those statutes.

DEFINITIONS:

See Chapter 1, Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

- ♦ Valid claims, verified statement of claims and lis pendens filings must be honored by state agencies.
- ♦ All project contracts that require the withholding of retainage must be advertised before final settlement, final payment/release of retainage.
- ♦ All project contract payments are made only to the general contractor unless a court order states otherwise or the contractor has assigned payment to another entity.
- ♦ A separate liability account using balance sheet account #2315 and a reporting category code must be established for each valid claim made against a capital construction project.

PROCEDURAL FOCUS:

In order for state agencies to process claims made against capital construction projects they will need to reference and understand CRS 38-26-107.

CRS 38-26-107 has the following three sections:

- ♦ Section 1 - Who may file a claim and when claims may be filed.
- ♦ Section 2 - Time period that a valid claim is honored and what actions can be taken to extend that time limit.

- ♦ Section 3 - Actions to be taken once the time limit in section 2 has expired.

All of these sections are addressed in the following procedural steps.

PROCEDURAL STEPS:

Step 1: Receive and log-in by date received all claims and lis pendens filed by suppliers and sub-contractors.

Step 2: Determine whether claims are valid. Claims may be filed at any time up to and including the time of final settlement date for the work performed or materials supplied. A court of law may determine that a postmark is considered as adequate evidence of timely filing for this purpose.

Step 3: Determine the amount of the claim and the specific contract that this claim has been filed against.

Step 4: Determine the timeframe for which the claim will be valid. Funds held for verified statements of claims shall not be withheld longer than ninety days following the date fixed for final settlement as published unless a legal action is commenced within that time to enforce such unpaid claim and a notice of lis pendens is filed with the state agency. At the expiration of the ninety day period, the state agency shall pay the contractor such moneys as are not the subject of suit and lis pendens notices and shall retain thereafter, subject to the final outcome thereof, only sufficient funds to insure the payment of judgments which may result from such suit.

Step 5: Process a journal voucher to record the liability for the claim in the balance sheet account #2315 and claim retainage reporting category code if your state agency has set up a code for the claimant. Procedures for recording a journal voucher in COFRS can be found in the COFRS User Reference Manual, Volume 1, Chapter 8, Section 1, Page 1. Procedures for establishing a claim retainage reporting category code are in Section 1 of this Chapter 7.

- ♦ For contracts that have a reporting category for retainage, debit the contract or reporting category and credit the reporting category established for the claimant using balance sheet account #2315. The maximum liability, which can be recorded for the claim, is the sum of the amount of available retainage withheld and any encumbered balance.
- ♦ For contracts that have no retainage withheld, the contract encumbrance should be decreased by the amount of the claim and a journal processed to debit the expenditure and credit balance sheet account #2315 and the claims retainage

reporting category code. The maximum liability which can be recorded for the claim is the contract's remaining encumbered balance.

Step 6: Settlement of claims and release of retainage.

- ♦ Upon receipt of a verified statement of release of claim and after the final settlement date, a payment voucher may be processed for the general contractor by debiting the balance sheet account #2315 and the claim retainage reporting category code.
- ♦ Upon receipt of a court order, a payment voucher may be processed for the judgment by debiting the balance sheet account #2315 and the claim retainage reporting category code.
- ♦ After a period of ninety days following the published settlement date, a payment voucher may be processed for the general contractor for all amounts that are not the subject of suits and lis pendens notices.

SECTION 5

APPROPRIATE OBJECT OF EXPENDITURE CODES FOR CAPITAL CONSTRUCTION EXPENDITURES

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

The following list of object codes are appropriate for state agencies and institutions to use for planning and charging capital construction and controlled maintenance projects funded from the state's capital construction fund. These object codes are in conformance with the statutory definition of capital construction included in Section 24-30-1301 CRS. Further, use of these object codes will ensure consistency among state agencies and institutions in charging expenditures on capital construction projects. This list of object codes should cover the majority of transactions state agencies and institutions will normally need to record expenditures of capital construction projects. In limited instances other object codes may be appropriate for use by state agencies and institutions. However, an explanation may be required if other object codes are used.

The State Controller's Office will monitor the use of these object codes in Fund 461 on a monthly and quarterly basis through the use of the "Abnormal Balances" diagnostic report.

Each set of object codes is followed by a general description of their use for capital construction purposes.

- 1910 PURCHASED SERVICES - PERSONAL SERVICES
- 1920 PURCHASED SERVICES - PROFESSIONAL
- 1930 PURCHASED SERVICE - TECHNICAL

As a general rule, object codes 19XX are to be used to record expenditures of independent consulting contractors (Part 14 of Article 30 Title 24, CRS).

- 2210 OTHER MAINTENANCE/REPAIR SVCS
- 2220 BLDG MAINTENANCE/REPAIR SVCS
- 2230 EQUIP MAINTENANCE REPAIR SVCS
- 3126 REPAIR & MAINTENANCE SUPPLIES

Object codes 22xx and 3126 are generally used for state controlled maintenance projects.

- 2310 OTHER CONSTRUCTION SVCS
- 2311 CONSTRUCTION CONTRACTOR SVCS
- 2312 CONSTRUCTION CONSULTANT SVCS

Object codes 23xx are used for general contractor construction services.

2253 RENTAL OF EQUIPMENT
2610 ADVERTISING
2810 FREIGHT
2820 OTHER PURCHASED SERVICES
3128 NONCAPITALIZED EQUIPMENT
4200 PURCHASE DISCOUNTS

These object codes are self explanatory and should be used as appropriate. Object code 2610 should be used for advertising related to the project (e.g., bid awards, end-of-project notifications). Rental of equipment is related to the rental of construction equipment required to complete a project.

61xx CAPITAL PROPERTY - DIRECT PURCH
62xx PERSONAL PROPERTY - DIRECT PURCH
63xx CAPITAL PROPERTY-LEASE PURCHASE

Object codes 61xx and 62xx are used for the direct purchase of capital equipment. Object codes 63xx should only be used for projects that have been approved for lease purchases.

The following types of expenditures are not appropriate and should not be charged to a capital construction/controlled maintenance project funded from the state capital construction fund:

- ♦ Personal Services including classified civil service employees and exempt contract employees
- ♦ All administrative expenditures including but not limited to travel, postage, telephone and fax, printing and reproduction

These expenditures should be charged to the state agency or institution's annual operating budget. In addition, state agencies and institutions should refer to OSPB's Information Technology Policy for additional requirements related to Information Technology projects. If you have any questions on the appropriateness of an expenditure please refer to the State Controller's External Policy Memorandum 1-97 or contact your OSPB analyst or SCO accounting specialist.

CHAPTER VIII RECORDING EARNED REVENUE AND CASH TRANSFERS AND COLLECTIONS

PURPOSE:

The purpose of these procedures is to provide guidance for state agency personnel in recording revenue earned and cash received or transferred from augmenting sources for capital construction project expenditures in the capital construction fund. Augmenting revenue can be from either cash or federal sources.

DEFINITIONS:

See Chapter 1, Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Expenditures in the capital construction fund for projects authorized through legislative appropriation are funded either through the state capital construction fund cash or through augmenting revenue sources or a combination of both.

Expenditures processed within the capital construction fund for projects that are funded through the state capital construction fund cash will draw from the cash balance recorded in the fund in Agency 999. Deficit cash balances in the operating agency capital construction fund will be replenished with cash transferred from Agency 999 once a year during period 13 for fiscal year end. The transfer of cash from agency 999 to the operating state agencies within the capital construction fund is a system generated entry.

Expenditures processed within the capital construction fund for projects that are funded through augmenting revenue sources must have the earned revenue and corresponding accounts receivable or cash transfer recorded at least monthly.

The capital construction fund (461) earns interest for the fund based on the average daily cash balance of the fund. This interest is available for appropriation for future projects.

Projects that have augmenting revenue sources must record earned revenue as expenditures occur. Projects that are funded from both the state capital construction fund and augmenting sources must record earned revenue from the augmenting sources on a prorated basis based on the budgeted sources of funds. In other words, augmenting revenue is to be earned, as expenditures are made, in the percentage the augmenting sources bear to the total appropriation. The state capital construction fund cash cannot be spent in any greater proportion than its percentage of the total appropriation.

State agencies should transfer or receipt cash into the capital construction fund for augmenting revenue earned on a timely basis in order to assure optimum interest earning within the capital construction fund.

PROCEDURAL FOCUS:

The procedures for recording earned revenues and receivable and transferring or receipting cash are divided into two sections in this chapter.

Section 1: Recording Earned Revenue and Related Receivables

- ♦ Payment Voucher Method
- ♦ Journal Voucher Method
- ♦ Automated Revenue Accrual through the Grants Module

Section 2: Recording the Transfer or Receipt of Augmenting Cash

- ♦ Transfer of cash between state agency funds
 - When receivable recorded
 - When receivable not recorded
- ♦ Receipting of cash received from outside source.

SECTION 1
RECORDING EARNED REVENUE AND RELATED
RECEIVABLES

There are three methods available within COFRS to record earned augmenting revenue and the related receivables. Earned revenues and receivables may be recorded using the payment voucher (PV) when processing payments for capital construction expenditures. They may be recorded by using a manually prepared journal voucher (JV). They may also be recorded by using the automated revenue accrual (REVA) process contained in the COFRS grants module. All three of these procedures are described in this section.

PROCEDURAL STEPS:

Recording Revenues and Receivables Using a Payment Voucher

Earned revenues and related receivables may be recorded at the time payments are made by processing a PV document.

Step 1: Determine the amount of augmenting revenue that should be earned based on the amount of the expenditure and the percentage of augmenting revenue appropriated for the project.

- ♦ Determine the percentage of augmenting revenue to be earned by dividing the amount of augmenting revenue appropriated by the total appropriation as identified on the AFSI table. If multiple augmenting sources are appropriated, a percentage should be calculated for each source.
- ♦ Calculate the amount of revenue to be earned from each augmenting source by multiplying the total expenditure by each calculated percentage.

Step 2: Prepare a PV document to process payment per instructions in Volume 3, Section 5, Ch.3, COFRS User Reference Manual, Expenditures and Accounts Payable. Record the payment amount on the PV document, referencing the appropriate encumbrance document and proper object of expenditure code.

Step 3: Record each calculated amount of augmenting revenue on a separate line on the PV document. Use the appropriate appropriation code, same as used for the expenditure, and revenue source code, which will properly identify the source of revenue. These lines will require an Increase/Decrease indicator of “D” which will create a “credit” entry to the revenue source code. Also record the amount for each offsetting receivable account on a separate line. These lines will require a balance sheet entry to the appropriate receivable account code and an Increase/Decrease indicator of “I”.

This will create a “debit” entry to the receivable balance sheet account. If the cash related to this revenue has been previously received, this balance sheet entry should be to a deferred revenue account instead of a receivable. Total earned revenue and receivable or deferred revenue amounts must be equal.

The net effect of the credit to the revenue source code and the debit to the receivable or deferred revenue account is zero (\$0) dollars on the PV. The vendor will be paid the amount due and the augmenting revenue and related receivable will be recorded.

The advantage to this method is that it results in the augmenting revenue being earned at the same time the expenditures are being recorded. The major disadvantage is that it requires additional work effort in determining the amount to be earned and in coding the extra lines on the PV document.

Recording revenues and Receivables Using a Journal Voucher

Earned augmenting revenues and related receivables may be recorded periodically using a manually prepared journal voucher (JV) document. This may take the form of a direct input document or a document generated from a recurring journal voucher (REJV) table entry. In either case the document to record the revenue and receivable must be manually entered into COFRS.

Direct Input of JV Document

To record revenues and receivables using direct input of document, the amount of earned revenue to be recorded must first be determined for each project.

- Step 1:** Determine the amount of earned revenue to be recorded, determine the percentage of augmenting revenue appropriated to fund the project as described in the payment voucher method.
- Step 2:** Determine the amount of expenditures for which augmenting revenue has not previously been earned by multiplying the total expenditures for the project times the augmenting revenue percentage. Total expenditures may be derived from the AFSI table at the same time the revenue percentages are being computed or may be extracted from the BDA01 (Budgetary Account Status) Report.
- Step 3:** Calculate the amount of earned revenue to be recorded. The amount of earned revenue to be recorded is calculated by subtracting prior recorded earned revenue from the applicable expenditures as calculated above. If multiple sources of augmenting revenue are appropriated, total calculated augmenting revenue to be earned must be allocated in the percentage each source is to the total of all augmenting sources.

Step 4: Prepare a COFRS JV document, according to the instructions in the COFRS User Reference Manual Volume 2, Section 3, Ch.3, to record earned revenue and receivable. The JV document should be prepared with a separate line for each appropriation code, revenue source code combination. Enter an account type 31 (revenue) credit amount for each appropriation/revenue source. A separate line entry must also be made for each different receivable type being recorded. Enter an account type 01 (asset) debit amount line for each unique receivable being recorded. If the cash related to the revenue has previously been received this offset line entry should be to an account type 02 (liability) deferred revenue account. Receivables and deferred revenue are not recorded at the appropriation code level. Receivable or deferred revenue totals from several appropriations revenues may be recorded on a single line entry.

The advantage to using this method is that expenditures can be summarized periodically and earned revenue calculated on the totals as opposed to being calculated on each expenditure. This method allows for one document to be used to record earned revenues and receivables for multiple projects. This method is, however, labor intensive.

Recurring Journal Voucher Document

An alternative to direct input of a JV document every time augmenting revenue is to be earned is to create a recurring journal voucher (REJV) table entry which will automatically generate a JV document on a monthly basis.

Step 1: To have JV documents generated automatically on the first of each month, an REJV table entry must be created in COFRS, instructions are in the COFRS User Reference Manual, Volume 2, Section 3, Ch. 4. This table entry should include all of the revenue and receivable line codes that would be used on a manually created JV as indicated above. The difference would be in the identification of a start date, end date and a frequency indicator and leaving the amount fields blank. The start date would indicate the beginning of the month that the document would first be created. The end date would indicate the last month the document was to be created. The frequency indicator would indicate whether the documents would be created monthly or quarterly. By leaving the amount fields blank, the created JV will have the words "Fill In" in the amount fields. This will alert you to provide amounts or delete each accounting line. If a JV were required more often than monthly, multiple REJV tables would have to be entered with different document numbers by the same start dates. This would allow the COFRS processing program to generate multiple JVs at the beginning of each month. This is necessary because the REJV program only runs once a month.

Step 2: Locate created JV on the Document Suspense File (SUSF). Once the documents are created from the REJV process on the first nightly cycle of the month, they will appear on the SUSF. They must then be completed and processed.

Step 3: Determine the amount of earned revenues and receivables to be recorded. See *Step 1 through Step 3* Direct Input of JV Documents above.

Step 4: Complete the documents with the proper amounts and any needed changes to the accounting codes. Lines can also be deleted or added. When the documents are completed and edited, they can be approved and processed.

The advantage of using this alternative over the manual input of individual JV documents is labor savings. Once the REJV entry is created, JV documents will be automatically generated on a monthly basis and do not have to be manually entered line by line. The only input required is amounts and any changes in account codes. This method, like the manual entry JV and PV methods, still requires manual calculation of the earned revenue and receivable or deferred revenue amounts. In addition, the REJV is locked into a standard processing schedule; monthly or quarterly.

Recording Earned Revenues and Receivables Using the Automated Revenue Accrual (RVAC) Process

To use the automated revenue accrual process, it requires establishing each capital construction project in the grants accounting subsystem of COFRS. See Chapter XII.

Step 1: Establish a capital construction project in the grants accounting subsystem. A grant master (GM) document must be processed and related validation tables created as required in Volume 4, Section 7, Ch. 3 of the COFRS User Reference Manual, Grants Subsystem.

Step 2: Establish the revenue and receivable distribution account codes on the revenue accrual (REVA) table according to the instructions in Volume 4, Section 7, Ch.4 of the COFRS User Reference Manual. This requires entering the Grant Number assigned to the project, the Grant Budget Line (GBL) code/s assigned to the project, each augmenting revenue source code from which revenue will be earned and the percentage of the total project in which they are to be earned. In addition the offsetting receivable account must be entered for each revenue line. Other optional fields may also be used for more detailed reporting and functional use.

Step 3: Automated recording of revenues and receivables is done through the nightly Revenue Accrual (RVAC) program. Once the project has been established as a grant and the Revenue Accrual (REVA) table has been created, the Revenue Accrual program (RVAC), which is run as part of the COFRS nightly cycle process, will create and process a JV document to record earned revenue on each and every expenditure coded to the project by means of the GBL code. This process allows for the automatic recording of earned revenue and receivables on a dollar for dollar or percentage basis at the same time the expenditures are recorded.

This method has the distinct advantage of eliminating manual input of any documents to record the earning of augmenting revenue. Once the Grant Master is processed to establish the capital construction project as a grant and the REVA table values are established, the earning and recording of revenues and receivables is a fully automated process, thus eliminating the manual input and processing of documents. Another advantage is that, once established, this process is valid for the life of the project and does not have to be modified or reestablished each fiscal year like the other methods. In addition, inception to date reports would be available for the life of the project. This method does, however, require the processing of a GM and establishing of several tables in the Grants Accounting subsystem.

COFRS reports will be generated nightly to show what expenditure (type 22 and 23) transactions were selected for accruing revenue and the transactions generated to record the revenues and receivables.

SECTION 2
RECORDING CASH TRANSFERS AND COLLECTIONS

The recording of cash deposited into the capital construction fund as the result of earned augmenting revenues can be accomplished in two ways depending on the source of the augmenting revenue. If the augmenting source is internal to the state, cash resulting from earned revenue may be transferred to the capital construction fund by means of a JV. Either JV or intergovernmental transaction (IT) documents may be used for this purpose. If the source of augmenting revenue is external to the state, as in the case of federal or other grant funding, the cash will be received in the form of a check or electronic bank transfer and will require a cash receipt (CR) document.

PROCEDURAL STEPS:

Recording Cash Transfers Internal to the State

Internal cash transfers into the capital construction fund can result from activities within one state agency or from activities between state agencies. All transfers into the capital construction fund are interfund transfers. If possible, all cash transfer transactions within the state should be accomplished with the use of an IT transaction. These transfers can be calculated and processed under two methods;

- ♦ When revenue has previously been earned and a receivable recorded, or
- ♦ Transfer the cash at the time the revenue is earned with no receivable recorded.

Transferring Cash When Revenue and Receivable Has Been Previously Recorded.

Step 1: Review COFRS receivable balances in capital construction fund for amounts due from internal augmenting revenue sources. Balances are available in the COFRS On Line General Ledger (OLGL) table and in the various periodic COFRS reports.

Step 2: Identify the source of the cash to liquidate the receivable by fund and agency (internal to the state agency or from another state agency).

Step 3: Prepare the appropriate document for recording the transfer of cash, an IT if the source of cash is from another state agency, or either a JV or IT if the source of cash is within the state agency (the IT is the preferred transaction if the revenue source code is a transfer and no prior receivable has been recorded or if the transfer revenue and receivable have been recorded and the reimbursing agency has previously recorded a transfer expenditure and payable). Instructions for the IT document can be found in Volume 3, Section 5, Ch. 3 of the COFRS User Reference Manual.

Important to remember: The expenditure type used by the state agency supplying the cash must be consistent with the revenue type used by the state agency receiving

the cash. For example, transfer revenue in must be supported by a transfer expenditure type or grant revenue in must be supported by a grant expenditure type. (See the COFRS chart of accounts for valid codes). Use of an IT transaction will ensure that the proper transfer revenue and expenditure codes are used.

Step 4: Approve and process the document if source is internal to the state agency. Notify the supporting state agency of the document and obtain their approval if source is from another state agency.

Transferring Cash When Revenue and Receivable Have Not Been Previously Recorded:

Step 1: Determine the amount of revenue to be earned. See **Recording Revenues and Receivables Using Direct Input of Document Steps 1 - 3.**

Step 2: Prepare the appropriate document to record the transfer per *Step 3* above. In preparing the document, cash account lines will be used to offset the expenditure and revenue lines on a JV document. Only the revenue and expenditure lines need to be recorded on the IT document. The IT document creates offsetting cash entries automatically. In cases where the revenue and receivable have not been previously recorded, use of the IT transaction is preferred.

Recording Cash Received from Sources External to the State

Revenues received to support capital construction projects from sources external to the state can be in either of two forms of transactions. They can be received in advance of any activity as the result of a grant or they may be received as reimbursements of expenditures for authorized projects, the result of billing of accounts receivable. Whichever form the transaction may take, the receipt of the cash must be recorded in COFRS with a cash receipt (CR) document. A CR must be processed whether the payment was received in the form of cash, check, or by means of electronic bank transfer.

Step 1: Determine if funds received represent an advance or reimbursement of expenditures resulting from the recording of an accounts receivable.

Step 2: Prepare a CR document to record the receipt of funds according to the instruction in Volume 2, Section 4 of the COFRS User Reference Manual, Revenue and Accounts Receivable Accounting. If the funds received represent an advance, the amount received should be credited to a deferred revenue account. If the funds received represent a reimbursement of expenditures and liquidation of a receivable the amount should be credited to the appropriate accounts receivable account.

Step 3: Edit the CR document for errors and apply state agency level approval.

Step 4: Forward approved CR document and funds, or evidence of funds if received by electronic means, to the State Treasurer for final approval and depositing. If funds

were received electronically, the State Treasurer will approve the document when verification of the deposit is received from the bank.

Step 5: If funds were received in the form of an advance, revenue will be earned and recorded according to Section 1 as the funds are expended.

CHAPTER IX PROJECTS FOR WORKS OF ART

PURPOSE:

There are two statutes concerning works of art in public places. CRS 24-80.5-101 contains the requirement for all state agencies, other than the Department of Corrections, to provide an allocation of not less than 1 percent of capital construction costs to be used for acquisition of works of art. CRS 24-80.5-102 details the authority for Department of Corrections to administer the program for those works of art in correctional facilities which provide an allocation of not less than 1/10 of 1 percent of capital construction costs to be used for a prison inmate art fund. The purpose of this procedure is to enable:

- ♦ State agencies to identify capital construction projects which are eligible for the *Works of Art in Public Places* program with Colorado Council on the Arts and to provide fiscal guidelines to follow in accounting for the planning and construction of the works of art. Contact the Council on the Arts at 303-894-2617 with questions regarding this program.
- ♦ The Department of Corrections to identify projects eligible for the *Works of Art in Correctional Facilities* program and to provide fiscal guidelines.

This procedure is written for the operating state agency, Colorado Council on the Arts and the Department of Corrections.

DEFINITIONS:

See Chapter 1, Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

In accordance with CRS 24-80.5-101 (3) (a),

Except for works of art in correctional facilities, agricultural facilities where livestock are housed or products are grown, the diagnostic center, and facilities authorized in SB 101 passed by the fifty fifth general assembly, each capital construction appropriation for a public construction project shall include as a nondeductible item an allocation of not less than one percent of the capital construction costs to be used for the acquisition of works of art. Per the definition included in the statutes, public construction project does not include controlled maintenance projects or higher education projects completely funded from exempt institutional sources.

The Colorado Council on the Arts is responsible for administering the Works of Art in Public Places program in accordance with CRS 24-80.5-101 (3). The Office of State Planning and Budgeting (OSPB) is responsible for ensuring compliance with the above statute.

A state agency other than the Department of Corrections that has a project eligible for the *Works of Art in Public Places* program is required to notify Colorado Council on the Arts, Agency GBA, of said project by forwarding a copy of the project application (SC 4.1) signed by the SCO.

The allocation for the acquisition of works of art shall be not less than 1 percent of the capital construction costs of the project. Any portion of the allocation for art not expended for the following:

- ♦ Artist's preliminary site visits;
- ♦ Design fee;
- ♦ Completion and installation of the work of art;
- ♦ Jury expenses;

shall revert to the general fund.

The Council on the Arts will establish a separate appropriation code for each capital construction project that contains a one percent allocation for art. An amount not to exceed 15 percent of each individual art allocation may be used the Council to cover administrative costs. Travel and other expenses for artists making proposals for works of art will be accounted for as an individual project expense. The Council will have three years from the date the funds are received from the state agency to complete the project. Uncommitted funds at the end of three years will revert to the General fund

PROCEDURAL FOCUS:

The procedural steps below will address both the procedures to be followed by the state agency appropriated the capital construction project and Colorado Council on the Arts. The operating state agency procedures are Steps 1 through 5. The Colorado Council on the Arts procedures is steps 6 through 9. Higher education institutions will forward a warrant to Colorado Council on the Arts for the transfer of cash under this procedure.

OPERATING STATE AGENCY:

Step 1: Determine the amount of construction costs for the eligible project and compute the 1 percent amount to be used for the *Works of Art in Public Places* program. If assistance is needed in determining the total construction costs, consult with the director of State Buildings Program.

Step 2: List this amount on the project application under the approval request section line B4 percentage for art. (Refer to illustrated example of SC 4.1 in the Appendix).

- Step 3:** Send a copy of the approved and signed SC 4.1 for an eligible project to Colorado Council on the Arts at 750 Pennsylvania Street, Denver, CO 80203.
- Step 4:** Encumber the amount of the 1 percent for Colorado Council on the Arts by entering and approving a PO document into COFRS for the eligible capital construction project. This will commit the appropriation for the project to the one percent allocation required for the *Works of Art in Public Places* program.
- Step 5:** Initiate and approve an IT document or issue a warrant to the Council for the amount indicated on the SC4.1

COLORADO COUNCIL ON THE ARTS:

- Step 6:** Establish an appropriation code for the project within fund 273 when the copy of the SC 4.1 is received.
- Step 7:** Prepare an AP document for the cash exempt amount identified on the project application line B4 for the *Works of Arts in Public Places* program. This appropriation transaction should have a cash exempt revenue source for the funds that are being recorded. Up to 15 percent of the allocation may be recorded in appropriation code 001 to cover administrative costs.
- Step 8:** Submit the AP transaction to FAST for approval. These projects have a maximum three year life from the time the Council receives the funds.
- Step 9:** Either complete the IT document prepared by the state agency or deposit the warrant received from the state agency with the State Treasurer

WORKS OF ART IN CORRECTIONAL FACILITIES

Per CRS 24-80.5-102, each capital construction appropriation for a correctional facility shall include as a nondeductible item an allocation of not less than one-tenth of one percent of the capital construction costs to be used for a prison inmate art fund. The Department of Corrections shall administer by rule and regulation this program. Appropriations in fund 273 for the Department of Corrections are available for a period of 3 years or completion of the project which ever occurs first. Uncommitted funds at the end of three years will revert to the capital construction fund.

The steps to followed by the Department of Corrections are as follows:

- Step 1:** Identify projects in fund 461 that are eligible for the *Works of Art in Correctional Facilities* program.

- Step 2:** Encumber the amount in the fund 461 project that is the one tenth of one percent designated for art work.
- Step 3:** Establish an appropriation code for the art project within CBA agency, fund 273.
- Step 4:** Prepare an AP document with the cash exempt amount. Prepare a COFRS IT; use a transfer-out object code in fund 461 and use the appropriate transfer-in revenue source code in fund 273 to record the revenue. Attach a copy of the original project SC 4.1 to the AP. Also attach a screen copy of the IT showing the transfer of revenue to fund 273.
- Step 5:** Apply a level 3 approval to the completed, error free AP transaction.
- Step 6:** Submit AP to FAST for level 5 approval. Process IT.

CHAPTER X APPROPRIATION REVERSIONS

PURPOSE:

The purpose of this section is to provide guidance for state agencies to revert uncommitted spending authority on expiring or completed capital construction projects. In addition, this section addresses requests for continuation of committed or encumbered funds on expired projects.

Please refer to Volume 2, Section 2, Chapters 1 through 5 of the COFRS User Reference Manual for detailed instructions on how to prepare and complete appropriation transactions.

DEFINITIONS:

See Chapter 1, Section 2.

SECTION 1
PROJECT APPROPRIATION REVERSIONS

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Capital construction project appropriations are available until the completion of the project or for a period of three years, whichever ever comes first. For the purposes of counting the three-year period, year one begins the first day the appropriation becomes available. For example, if the Governor approves the Long Bill on May 2, 2001, the calculation for the three-year period begins May 2, 2001, and the projects would expire on May 2, 2004. For administrative purposes only, reversions of uncommitted funds on expiring projects are processed at the end of the fiscal year in which the project expires.

Once a project is complete or has reached the end of its three-year life, any unexpended or uncommitted project appropriation must be reverted. This reversion process reduces the unexpended budget to zero in order to ensure no additional expenditures can be recorded and to properly reflect the capital construction appropriations that are available and need to be continued into the subsequent fiscal year. This process generally occurs at the end of a fiscal year, but may be done at any time during the year.

In the spring of each fiscal year, the SCO will distribute to each state agency with capital construction projects a Capital Construction Continuing Appropriations Status Form (CCCAS). This form is intended as a turn-around form to be used by state agencies to support their request for project appropriation continuation. There will be two parts of the form. One part will be for projects that are at the end of their three-year life and should be reverted at the end of the current fiscal year, and the other part of the form is for projects still within their three-year life.

The CCCAS form for reverting projects includes the following information:

- ♦ Each project title (appropriation name) name and short name including the project number);
- ♦ Long Bill Line Item number;
- ♦ Agency, Fund, Appropriation Code, Funding Source Code;
- ♦ The fiscal year the project expires;
- ♦ The projects original legislation and the projects last legislation (if different from the original).

Project reversions are done on a project-by-project basis at the state agency's initiation. There are three ways that the state agency may request reversions of all of their projects:

1. Submit a single form for all projects at one time;
2. Submit a separate form for each project reversion at different times; or
3. Some combination of the two methods.

Due dates for CCCAS forms will be published annually in the annual Open and Close Instructions. Appropriation transactions require both a Level 3 (state agency) and Level 5 (SCO) approval.

PROCEDURAL STEPS:

There are four actions that can take place based on the CCCAS form. The request can be to:

- ♦ Continue a project appropriation;
- ♦ Revert the excess appropriation of a continuing but completed project;
- ♦ Revert an expired project; or
- ♦ Continue an expired project.

The discussion on the first item is in Chapter 2, Section 5.

Reverting a Project Appropriation at Fiscal Year End (completed or expiring project):

Step 1: SCO distributes the CCCAS forms to the state agencies.

Step 2: The state agency completes CCCAS turnaround form by indicating that it is reversion and not a carry forward, entering the beginning budget, entering the remaining budget, listing the Fiscal Year AP transaction for the reversion, and getting the appropriate state agency signatures.

Step 3: The state agency prepares and approves an error free AP transaction. The amount to be reverted is the unexpended amount at the close of the current fiscal year. AP and CCCAS should be submitted to FAST. AP used to complete this action must use SAI "06".

Step 4: The state agency submits the AP and CCCAS form to FAST. SC 4.1's are not required.

Requesting Continuation of an Expiring Project.

A. Reverting an uncommitted appropriation at fiscal year end:

Step 1: SCO distributes the CCCAS forms to the state agencies.

Step 2: The state agency completes CCCAS turnaround form by indicating reverting portion of the expiring project, entering the dollar amount of the beginning budget, entering the dollar amount of any remaining budget, entering the dollar amount of any continuing encumbrances, and listing the old fiscal year AP transaction for the reversion.

Step 3: The state agency prepares and approves an error free AP transaction. The amount to be reverted is the uncommitted amount at the close of the fiscal year. AP used to complete this action must use SAI "06".

B. Rolling forward any continuing encumbrance:

Step 1: The state agency completes the CCCAS turnaround form by indicating the justification for the continuing portion of the expiring project, indicating a request for a carry forward and not a reversion, listing the new fiscal year AP transaction for the carry-forward, and getting the appropriate state agency signatures.

Step 2: The state agency prepares and approves an error free AP transaction. The amount to be carried forward is the amount of valid and open contracts/POs at the close of the previous fiscal year. No additional unsupported amount will be approved for continuation. In addition, state agency should provide a list of all valid and open contracts/POs by document number and open amount. AP, encumbrance list, and CCCAS should be submitted to the SCO. AP used to complete this action must use SAI "08".

There may be extenuating circumstances that necessitate the carry forward of unencumbered amounts. To do this, write a letter to the State Controller and State Buildings clearly explaining the condition and requesting the carry forward. If both the State Controller and State Buildings approve, the state agency will be notified to prepare an AP transaction to record the carry forward.

Step 3: The state agency submits the AP and CCCAS form to FAST. SC 4.1's are not required.

Reverting a Project Appropriation During the Fiscal Year:

Step 1: The state agency prepares and approves an error free AP transaction. The amount to be reverted is the unexpended amount at the point that the reversion is requested. AP used to complete this action must use SAI "06". Include on the AP a justification as to why the reversion is taking place at that point in the fiscal year.

Step 2: The state agency submits the AP to FAST. SC 4.1's are not required.

CHAPTER XI

HIGHER EDUCATION INTERFACING CAPITAL CONSTRUCTION ACTIVITY TO THE 461 FUND

PURPOSE:

The purpose of this procedure is to describe how authorized higher education institutions can interface summarized accounting information, including encumbrances, from their internal accounting systems, to COFRS for state appropriated capital construction accounting. The use of this procedure eliminates the duplicate manual recording of transactions on the state agencies accounting systems and on COFRS.

PROCEDURAL STEPS:

Prior to interfacing summarized accounting and encumbrance data, the interface procedure to be used by the Institution must be approved by the state controller. A “Request for Exemption from Using COFRS Modules” (COFRS Alert 21) and a description of the procedures to be used for interfacing are submitted to SCO and approved before the actual interface process can begin.

The SCO and higher education institutions have agreed on a process to be followed to ensure consistent accounting treatment for capital construction activity. In general, higher education institutions will use their individual capital project subsidiary ledgers to track project detail information, including encumbrances, and will interface capital construction accounting data into the COFRS 37X and 461 funds in the same manner they interface data for the other funds.

CHAPTER XII

USING THE COFRS GRANTS OR PROJECT MODULE

PURPOSE:

The purpose of these procedures is to provide guidance to state agencies in the optional use of the COFRS Grant Accounting and Project Accounting modules as they may be applied to the management of capital construction/controlled maintenance projects. The COFRS Grant Accounting subsystem was developed to provide for inception-to-date reporting of expenditures and revenues throughout the life of multi-year grants. It also provides an automated process for recording earned augmenting revenues and receivables, and calculating receivable billing amounts as well as providing for the tracking of expenditures, revenues and receivables by individual grant. These features can be readily applied to capital construction/controlled maintenance projects and be used for more efficient financial management. Project module guidelines have been developed by COFRS to assist state agencies in budget/expense tracking on various capital construction/controlled maintenance projects.

Although the project administration differs in each state agency, the COFRS manuals are readable, understandable, and include step-by-step instructions. For more information, see COFRS User Reference Manual, Volume 4, Section 7 - Grants Subsystem or Volume 4 Section 8- Projects Subsystem.

DEFINITIONS:

See Chapter 1, Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Expenditures for authorized capital construction/controlled maintenance projects must be accounted for on a project by project basis throughout the life of the project. Since most projects are authorized for a period of three years, maintaining records of project life activity through the normal fiscal year appropriation and accounting system can be burdensome and inefficient. Both the Grant Accounting subsystem and the Project Accounting subsystem provide a systematic method of recording and reporting activity on both a State fiscal year basis and on a project life or inception to date basis.

While both the Grant subsystem and the Project subsystem provide for project life reporting, there are several differences between the two and how they can be used in the management of capital construction projects. These two subsystems will be discussed in two separate sections in this chapter.

SECTION 1
USING THE COFRS GRANTS MODULE

The COFRS Grant Accounting module was designed for the financial management of federal and private grant activity within the state. Because many of the features of the system were designed to improve the efficiency of specific accounting and financial activities, many state agencies have adapted the use of this module to other areas where the activities and needs are similar. Capital construction projects are one of the areas where this adaptation has proved very worthwhile.

Some of the features of the Grant Accounting module which are particularly useful in the financial management of capital construction projects are:

- ♦ Ability to track both state fiscal year and project life activity through standard COFRS reports.
- ♦ Ability to automatically calculate and record earned revenues and receivables at the same time expenditures are recorded.
- ♦ Simplicity in adjusting total project authorizations as a result of supplemental and /or special bills.
- ♦ Ability to edit that all transactions related to a project are recorded against the project and maintained for the life of the project.

In order to utilize the features of the grant accounting module for capital construction projects, the individual projects must be established as grants. This can be done even if the project authorization is not the result of a true grant but is funded from the capital construction fund. Details for establishing a grant in the grant accounting module are available in Volume 4, Section 7, Chapters 3 & 4 of the COFRS User Reference Manual.

PROCEDURAL STEPS:

Establishing a Project as a Grant in the Grants Module:

- Step 1:** Establish desired “Grant Control Options” on the Fund/Agency (FAGY) table in fund 461 (see Volume 1, Ch. 10, COFRS Manual).
- Step 2:** Set the GBL required option on the APP2 table to “Y” for the project appropriation. This will mandate the use of GBL coding for all activity involved with the project (see Volume 2, Section 2, Ch. 4, COFRS Manual).

- Step 3:** Determine a “Grant” number and “Grant Budget Line/s” for the project. The project number may be used as the “Grant” number and the last four (4) characters of the project number may be used for the GBL code if desired.
- Step 4:** Establish the “Grant Budget Line - GBL” code on the GBLC table (see Volume 4, Section 7, Ch. 4 COFRS Manual).
- Step 5:** Establish the desired accounting validation criteria for the project on the Grant Validation (GVAL) table (see Volume 4, Section 7, Ch.4 COFRS Manual).
- Step 6:** Process a Grant Master (GM) transaction to establish the project as a grant (see Volume 4, Section 7, Ch 3 COFRS Manual).
- Step 7:** If the project is funded in part or in whole by augmenting revenue, establish the revenue and receivable distribution account codes and percentages on the Revenue Accrual (REVA) table (see Volume 4, Section 7, Ch. 4 COFRS Manual).

Adjusting the Project Authorization Amount

If the authorized amount of the project changes as the result of a supplemental or special appropriation bill passed by the legislature, the amount of the change can be easily processed in the Grants module also.

- Step 1:** Process an AP document to record the change in the appropriation according to the procedures in Chapter 2, Section 2 of this manual.
- Step 2:** Process a GM document to record the change in the Grants module. The total recorded in the Grants module should equal the total project authorization.

SECTION 2
USING THE COFRS PROJECT MODULE

The basic function of the project module is to assist in the tracking of capital construction/controlled maintenance projects and sub-projects for the duration of the project. The project module tracking system varies from the more generally used COFRS system in that it will incorporate more than one year. Should your project utilize the entire three year period to complete (as allowed by statute), the project module will accumulate the entire three years expenditures and reflect them on the Agency Project Inquiry (AGPR) and Project Budget Line Inquiry (PRBL) Tables.

Some of the features of the Projects module, which are particularly useful in the financial management of capital construction projects, are:

- ♦ Ability to track both State fiscal year and project life activity through standard COFRS reports.
- ♦ Ability to collect all project related information, both financial and descriptive.
- ♦ Ability to support a wide variety of reporting options.
- ♦ Ability to support and track activity at multiple sub-project and phase levels.
- ♦ Simplicity in adjusting total project authorizations as a result of supplemental and/or special bills.
- ♦ Ability to monitor and budget at sub-project and phase levels.

In order to utilize the features of the Projects module for capital construction projects, the individual projects must be established in the Projects module with a unique project number. Details for establishing a project in the Projects module are available in Volume 4, Section 8, Chapters 2 & 3.

PROCEDURAL STEPS:

Establishing A Project in the Project Module

Step 1: Gather the information necessary to complete the Project Master (PJ) transaction document. This includes project authorization (SC 4.1) document, appropriation number, source of funding, total authorized amount.

Step 2: Determine if multiple sub-project and phase levels will be used for budgetary and reporting based on state agency needs.

Step 3: Process a Project Master (PJ) transaction to establish the project in COFRS (see Volume 4, Section 8, Ch. 3 COFRS Manual).

Adjusting the Project Authorization Amount

If the authorized amount of the project changes as a result of a supplemental or special appropriation bill passed by the legislature, the amount of the change can be easily processed in the Project Module also.

Step 1: Process an AP document to record the change in the appropriation according to the procedures in Chapter 2, Section 2 of this manual.

Step 2: Process a PJ document to record the change in the Projects module (see Volume 4, Section 8, Ch. 3 COFRS Manual). The total recorded in the Projects module should equal the total project authorization.

Both the Grant Accounting and Projects modules offer many features which will make the financial management of capital construction projects more efficient and provide better management reports.

CHAPTER XIII CONTROLLED MAINTENANCE PROCESS

AUTHORITY:

24-30-1301, CRS (State Buildings Division).

DEFINITIONS:

See Chapter 1, Section 2.

PROCEDURAL FOCUS:

1. In April and May: State Buildings Programs (SBP) consults with the Office of State Planning and Budget (OSPB) to establish controlled maintenance budget projections and schedules for the following fiscal year. **(OSPB sets the projected maximum budget dollar amount.)**
2. In May: SBP provides and distributes the controlled maintenance budget instructions to all state agencies and institutions with the exception of the Department of Transportation and the Department of Natural Resources. **(OSPB provides the inflation factor to be applied to all agency/institution controlled maintenance project cost estimates.)**
3. In June through August: SBP conducts site visits to all state agencies/institutions to technically verify controlled maintenance project requests to assess progress on previously funded controlled maintenance and capital construction projects, and to review and approve drafts of controlled maintenance request documents.

SBP coordinates its reviews of the controlled maintenance requests with the capital construction requests submitted to OSPB and the Colorado Commission on Higher Education (CCHE) on an agency-by-agency basis. The reviews assess the following:

- a. Are all agency/institution controlled maintenance project requests appropriately categorized as “controlled maintenance” or should any be considered as “capital construction”? State statutes provide definitions of controlled maintenance and capital construction projects although they do not seem to apply in all circumstances. Therefore, in 1997 SBP developed additional criteria in cooperation with OSPB, CCHE, and with the concurrence of the Capital Development Committee (CDC) in order to categorize the type of construction project. The new criteria evaluates the project’s “driver.” “Maintenance driven” projects are categorized as controlled maintenance, whereas “program driven” projects are categorized as capital

construction. The controlled maintenance budget instructions contain descriptions of these “drivers.”

Additionally, the SBP “Five Year Rule” is also applied. State owned facilities are eligible for controlled maintenance funding provided that they have been state owned and operated through general funding for a minimum of five years, and/or that it has been a minimum of five years since the facility was either renovated or constructed with general funds.

- b. Could an agency/institution's controlled maintenance requests also be included in their capital construction requests? If duplicate project funding requests exist, the agency/institution is consulted, and the appropriate category and funding source are selected and either the controlled maintenance or capital construction request is revised.
 - c. SBP will provide additional expertise and technical assistance to OSPB or CCHE during their review of capital construction project requests upon their request.
4. On September 1: SBP receives the final copy of all agency/institution controlled maintenance budget request submittals.
 5. During September and October: SBP reviews the submittals and prioritizes requested controlled maintenance projects on a statewide basis. **(SBP justifies to OSPB the actual controlled maintenance budget.)** SBP prepares the controlled maintenance budget recommendations to the CDC according to statute.
 6. In November: SBP presents controlled maintenance budget recommendations to the CDC.

The following is a typical Controlled Maintenance Budget Request Instructions Manual issued by State Buildings Programs on an annual basis. These instructions are issued to assist agencies/institutions in compiling their controlled maintenance requests.



State of Colorado

**GENERAL SUPPORT SERVICES
DIVISION OF PURCHASING
STATE BUILDINGS AND REAL ESTATE PROGRAMS**

THE CONTROLLED MAINTENANCE PROGRAM

Fiscal Year _____

**BUDGET REQUEST
INSTRUCTIONS**

Date: _____

CONTROLLED MAINTENANCE BUDGET REQUEST

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CONTROLLED MAINTENANCE BUDGET REQUEST

3.1 The Physical Plant Categories

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Section 4.0 Forms

SBP 95-01	Rev. 4/___	Controlled Maintenance Project Request FY ____	(5 pages)
SBP 95-04	Rev. 4/___	Controlled Maintenance Project Request - Summary FY ____	(1 page)
CMP/SBP	Rev. 4/___	5 Year Controlled Maintenance Program Plan	(1 page)
SBP 95-05	Rev. 4/___	Controlled Maintenance Project Status Report FY 96/97 through ____	(1 page)
SBP 98-01		- Energy Efficiency Contract Report FY ____	(5 pages)

CONTROLLED MAINTENANCE BUDGET REQUEST

MEMORANDUM

TO: Principal Representatives
Physical Plant Directors
Construction Managers

FROM: Larry Friedberg, AIA
Director, State Buildings and Real Estate Programs

DATE:

SUBJECT: Fiscal Year _____ Controlled Maintenance Budget Request Instructions

Enclosed are the instructions and forms for the Fiscal Year ____ Controlled Maintenance (CM) requests. Please read all sections carefully. The schedule for preparation and submittal of requests is included in the instructions.

- In accordance with the Office of State Planning and Budget's (OSPB) Capital Construction guidelines, the new inflation factors to be used for FY ____ will be as follows:
 1. The new factor will be ____% in all counties.
 2. For additional clarification, contact OSPB or State Buildings Programs (SBP).
- OSPB maintains that CM projects that fall below capital outlay limits (under \$15,000) are not to be requested; please adhere to this requirement. In addition, please ensure that duplication does not exist in the controlled maintenance and capital construction requests. Please refer to definitions in Section 1.3 of the instructions.
- Requests should thoroughly document the problems and the cost of each project. Please include detailed information and cost breakdowns for projects that you have rated and listed in your summary.
- State Buildings has, as usual, included a status report of previously funded CM projects. Note that the CM status report requests the percent **"encumbered"** not "unencumbered" of the project budget. Please provide a summary of the status of projects funded in the three previous fiscal years (FY ____, FY ____, FY ____) in the format of Form SBP.
- Please refer to Table A (Sets of priorities/GSF/Agency). Requests to change the gross square footage number from last year due to new facilities coming on-line (within FY ____) or old

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facilities being demolished (within the next five years) are to be submitted separately from the project requests and are due on August __, ____. Please provide supporting documentation. Indicate each change to an existing building with Risk Management number, old GSF and new GSF. List all new buildings that will be occupied by December __, __ with their GSF. Failure to do so will result in SBP using last year's numbers to verify allowable sets of priorities.

- SBP will continue to recommend the two remaining extraordinary item requests, as indicated in the FY ____ SBP CM Budget Request Recommendations. No additional information is required from the agencies and the extraordinary item request forms are not to be included in the agency's CM request for FY _____. SBP will apply the inflation factors to the total dollar amounts as previously requested by each agency. If an agency determines that its previous requests are no longer accurate, they may request a modification from SBP in writing prior to August.
- State Buildings Programs requires that agencies report energy efficiency contracts (energy performance contracts) as part of the CM budget request process, in order to document the deferred maintenance projects that are included in and funded by this type of contract. Any agency that has a signed energy efficiency contract in place or that is planning to enter into an energy efficiency contract in the next fiscal year should include this form with the CM request package. The form also allows agencies that require legislative approval prior to entering a lease-purchase agreement in excess of \$50,000 to submit the request through SBP (excluding higher education that is exempt from this requirement). SBP will compile and verify all requests, then bundle and submit them to the CDC for legislative approval. Please refer to the enclosed form (SBP 98-01) in section 4.0.
- Project Requests involving information technology (voice, data, video) management systems should first be reviewed by the Information Management Commission (IMC) to determine the appropriate funding source.
- Please provide a site plan of each campus/complex, etc., which identifies and locates on-going and FY ____ requested controlled maintenance, capital construction, ADA , and energy efficiency projects. Also, graphically differentiate between general funded and auxiliary funded facilities on the site plan. The site plan should be bound into the request manual along with the physical plant controlled maintenance requests summary and should be either 8-1/2" x 11" or 11" x 17".
- In addition, please provide a clean copy, computer generated site plan (and disk if possible) for each campus/complex where you are requesting CM projects as follows: outline building profiles, streets, etc., (no shading, cross hatching, etc.) no text except for agency name and north arrow in the lower left or right corner.

CONTROLLED MAINTENANCE BUDGET REQUEST

CONTROLLED MAINTENANCE PROJECT REQUEST - FY

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BUDGET REQUEST

1.0 GENERAL

1.1 PROGRAM PROCESS

The program budget request process for the Fiscal Year ____ CM Program is similar to last year's procedures, including the requirement to submit request forms for all projects. Note that the project request forms have been combined into one form (SBP 96-01 Rev. 4/____).

1.2 PROGRAM FORMAT

The basic format for the preparation, submission and evaluation of project requests remains unchanged from last year.

Agencies are to use the forms included in these instructions to prepare and submit requests.

Five items of particular importance to the budget process are:

- A. A cost estimate break-down must be attached to all requests listed on the summary form (SBP 95-04 Rev. 4/____).
- B. The controlled maintenance status report must be submitted with the budget request. Include a description of the current status of all controlled maintenance projects (including emergency projects) funded during the last three fiscal years on Form SBP 95-05, Rev. ____.
- C. Include any available additional information to describe the nature of items requiring repair and/or replacement and proposed projects.
- D. Late request submittals past the due date of September __, ____ will not be accepted.**
- E. Requests to change the gross square footage number from last year's Table A will not be accepted past the due date of August __, ____.**

1.3 STATUTORY DEFINITION

Source of definition is the Colorado Revised Statutes, 24-30-1301, as amended.

Definitions

(2) (a) *"Controlled Maintenance" means:*

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- (I) *Corrective repairs or replacement used for existing state-owned, general-funded buildings and other physical facilities, including, but not limited to, utilities and site improvements, which are suitable for retention and use for at least five years, and replacement and repair of the fixed equipment necessary for the operation of such facilities, when such work is not funded in an agency's operating budget to be accomplished by the agency's physical plant staff.*

- (II) *That controlled maintenance funds may not be used for:*
 - (A) *Corrective repairs or replacement for buildings and other physical facilities and replacement or repair of the fixed and movable equipment necessary for the operation of physical facilities, when such work is funded in an agency's operating budget to be accomplished by the agency's physical plant staff; for the repair and replacement of fixed and movable equipment necessary for the conduct of programs (such repair and replacement is funded as capital outlay); for rented or leased facilities, or facilities constructed and maintained by self-liquidating property funds. Minor maintenance items shall not be accumulated to create a controlled maintenance project, nor shall minor maintenance work be accomplished as a part of a controlled maintenance project unless the work is directly related.*

 - (B) *Any work properly categorized as capital construction or capital outlay.*

- (b) *“Controlled Maintenance” may include the purchase of the services of architects, engineers, and other consultants to investigate conditions and prepare recommendations for the correction thereof and to prepare plans and specifications, and to supervise the execution of such Controlled Maintenance projects, as provided by appropriation by the general assembly.*

For additional clarity, SBP, OSPB and CCHE have agreed upon the following interpretations to further distinguish between capital construction and controlled maintenance requests:

“Maintenance Driven” is defined as those projects arising out of the deterioration of a facility's physical and functional condition, including site and infrastructure, and the inability to comply with current codes. These types of requests would be considered as controlled maintenance.

“Program Driven” is defined as those projects arising out of an agency's need to create, expand, or alter a program due to growth, advances in technology or changes in methods or program delivery. Requests addressing physical space requirements needed to accommodate particular functions, such as those traditionally included in facility programs would constitute a “Program Driven” request, and therefore would be considered as capital construction.

1.4 PROGRAM/BUDGET SCHEDULE

The key dates for the development and execution of the Fiscal Year ____ Controlled Maintenance Program/Budget shall be in accordance with the following schedule:

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ACTION RESPONSIBILITY	ACTIVITY	DATE
A. SBP	Prepare/Issue (these) Controlled Maintenance (CM) Budget Instructions	May, ____
B. Agency	Document/Plan/Prepare Ongoing CM Requests (including “emergency requests”)	Year-Round
C. SBP __ to	On-site Review of FY ____ “Top-Rated” CM Projects with Agency Physical Plant Staff	June Aug. __, ____
D. Agency	Submission of Revised Gross Square Footage Numbers (if applicable)	Aug. __, ____
E. Agency	Submission of Current FY ____ CM Requests	Sept. __, ____
F. SBP	Analysis/Evaluation of FY ____ Requests	Completed by Oct. __, ____
G. SBP	Presentation of Draft of FY ____ CM Budget Recommendations to OSPB	Oct. __, ____
H. SBP	Presentation of Recommendations to the Capital Development Committee	(Approx.) Nov. __, ____

1.5 **PROJECT REQUESTS**

The Controlled Maintenance Program is no longer subdivided into two (2) categories: “Specific Maintenance Projects” and “General Maintenance Projects.”

Due to the increase in the number, scope, complexity, phasing and cost of CM projects, it has been determined that the two previous categories no longer accurately define the conditions of today’s controlled maintenance requests. Each and every CM project must be assessed based on its own unique circumstances and defined accordingly.

Controlled maintenance projects shall be separately programmed and requested. The requests should fall under one (1) of the following conditions:

Condition 1: Projects that are relatively simple in their scope and nature.

Example: Projects which involve only one category of work such as sidewalk or roof replacement.

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Condition 2: Projects that are complex in their scope and nature.

Example 1: Projects which involve major categories (or building systems) of work such as replacement of HVAC system, plumbing, electrical work and incidental architectural finishes within a single building.

Example 2: Projects which involve one or more similar categories of work in multiple buildings.

Condition 3: Projects with relatively small dollar values (Less than \$250,000). A cost estimate prepared by qualified physical plant staff or a professional consultant is required per section 2.5D., Detailed Cost Estimate/Budget Request.

Condition 4: Projects with relatively large dollar values (greater than \$250,000). A cost estimate prepared by qualified physical plant staff or a professional consultant is required per section 2.5.D., detailed cost estimate/budget request.

Condition 5: Projects that require multiple funding/construction phasing due to scope, complexity and/or estimated cost.

Example: Replacement of a centralized steam distribution system by segments.

Condition 6: Extraordinary item requests as determined by SBP.

Example: Replacement of all state-owned CFC refrigerant containing equipment by bundling them together into a “one time” statewide request.

1.6 **PROJECT “SCORING” SYSTEM**

The project “scoring” system, which was adopted in FY 83/84, will continue as the system for ranking projects in a priority order. The system ranks projects based upon a “score number” ranging from one (1) to XXX with a “1” score being the highest rating.

The “Project Score” number (Abbreviated PS) is obtained by multiplication of the following three (3) rating factors or numbers:

First Factor(s): Agency Priority Number(s) (AP)

Second Factor: Operational Criteria Legend Number (OC)

Third Factor: Critical(ity) Index (CI)

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The formula is: Agency Priority Number (AP) multiplied by the Operational Criteria Legend number (OC) multiplied by the Critical Index (CI) equals the Project Score (PS).

THE ABBREVIATED FORMULA IS: $AP \times OC \times CI = PS$

AGENCY PRIORITY NUMBER (AP):

The first factor is established by the agency by requesting, ranking and listing projects in their order of importance to the agency. The agency shall list projects in priority order upon the Physical Plant Controlled Maintenance Requests - Summary, Form No. SBP 95-04.

OPERATIONAL CRITERIA (OC):

The second factor is also established by the agency (verified by SBP) as determined from the following legend:

1. Health and Safety Hazard
2. Disrupting Operations (Agency Program)
3. Causing Damage or Deterioration

CRITICAL INDEX (CI):

The third factor to be applied by SBP is the Critical Index (CI). The Critical Index is an evaluation of the importance of the agency's projects. It is an assessment of the relative immediacy (criticality) or importance in accomplishing the requested projects. SBP will evaluate the agency's current capability to complete the number, scope, size and complexity of the agency's top-rated project requests as listed on the summary form SBP 95-04.

IMPORTANT NOTES ON CRITICALITY

In the recent past, the State Buildings Programs has noted that in some budget requests non-critical items are often combined with critical elements of work, and further noted that these are being requested at the highest (or next to highest) priority level. For example, health and safety elements (Operational Criteria of 1) may only comprise ten percent of the work with the remainder of work being less critical, but these projects are requested as if the health and safety issues are predominant.

To justify the critical nature of projects where non-critical elements are included, the critical physical deficiencies must predominate over non-critical elements. Agencies shall be prepared to outline scopes of work and budgets to clarify issues of criticality and non-criticality of such requests. This will be important to gain legislative support as there is an increasing concern with this issue.

1.6.1 TABLE A

The third column of Table A, which follows, shows each agency's gross square footage (GSF) which is used in calculating each agency's sets of priorities. The agency's area (GSF) as indicated may, in fact, vary from the actual GSF in each case. Please note that the areas shown represent SBP's best figures available or known at the time of this budget instruction book's preparation.

Should the areas shown vary significantly, please contact SBP as soon as possible. The due date for changes to the GSF numbers is _____.

Each agency is allotted sets or numbers of projects which it may request for each 500,000 GSF (\pm) of units of space in its physical plant inventory currently on-line.

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Example: If an agency has 4,000,000 GSF of space in its inventory, it may request 8 projects as Agency Priority (AP) No. 1, 8 sets of priority No. 2, etc. However, If an agency has 4,260,000 GSF, this would result in 9 sets (rounding to the nearest 500,000 GSF).

The purpose of such allotments is to create a basis for estimating the number of projects needed according to plant size. Rationale: The larger the physical plant, the greater number of potential problems.

However, **the actual plant condition and project needs will be used to determine more equitably the distribution of available funds.**

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2.0 BUDGET REQUESTS - PREPARATION AND PRESENTATION

2.1 PURPOSE

The State Legislature annually appropriates the Controlled Maintenance Program based upon the budget request submittal by GSS on behalf of all State Agencies and institutions. The purpose is to obtain funding for needed corrective repairs or replacements of facilities' physical deficiencies.

2.2 PRESENTATION/FORMAT

Upon completion of the forms described in this Section 2.0, assemble the request packet for presentation/transmittal to State Buildings Programs (SBP) Capitol Life Building, 225 East 16th Avenue, Suite 900, Denver, Colorado 80203. Submit two copies (separate from any other budget requests) and collate as follows:

- 1) The Controlled Maintenance Request Summary (Form SBP 95-04 Rev. 4/__) List only the controlled maintenance project requests on this form as per the 5 Year Controlled Maintenance Program Plan (Form SBP/CMP Rev. 4/__). Also include the total for all non-prioritized deferred maintenance projects.
- 2) 5 Year Controlled Maintenance Program Plan (Form SBP/CMP Rev. 4/__).
- 3) Controlled Maintenance Project Request (Form SBP 95-01 Rev. 4/__).
- 4) Controlled Maintenance Status Report (Form SBP 95-05 Rev. 4/__).
- 5) Energy Efficiency Contract Report (Form SBP 98-01).

2.3 SCHEDULE FOR SUBMITTAL

The ____ Controlled Maintenance Request shall be submitted no later than **September 1, ____**. Late submittals in the last few years have become an increasing problem. Therefore, SBP strongly recommends that agencies submit their requests as early as possible. A draft of the agency's request manual is to be submitted prior to SBP's controlled maintenance visit.

2.5 INSTRUCTIONS FOR PREPARING THE CONTROLLED MAINTENANCE PROJECT REQUEST - FORM SBP 95-01 (Rev. 4/____)

A. AGENCY BASIC DATA:

Blank 1): Fill in your agency name.

Blank 2): Fill in your department title -
Examples: Higher Education, Human Services

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- Blank 3): Insert agency ID number which consists of agency's project number suffixed with the initial request year. Example: 10-94 - Identifies agency's maintenance project priority number 10 first requested in Fiscal Year 1993/94. Insert SBP assigned project M# number for continuing phased requests.
- Blank 4) Fill in your agency priority number(s). NOTE: Be sure the number(s) agree(s) with your agency priority (AP) number(s) listed on Summary - Form SBP 95-01. (NOTE: Do not provide project request forms for projects not listed on the 5 Year Controlled Maintenance Program Plan, Form CMP/SBP Rev. ____).
- Blank 5): Use a descriptive title to describe project, including identifying "phase ____ of ____ " where applicable. This description pertains to what is being requested this year, not previous or future phases (this information is to be included in the narrative description).

B. FACILITY PROFILE:

- Blank 1): Check the appropriate box, site or building, followed by a description of the site utilities or facilities area(s) or building(s) name and Risk Management Building ID number(s).
- Blank 2): Describe location. Example: West Campus
- Blank 3): Provide building's gross square feet (GSF), assignable square feet (ASF) of space and date the facility was constructed.
- Blank 4): Describe the facility's functional use or occupancy. Example: Classroom/Laboratory (Laboratory Instructional Space), Inmate Housing, Administrative Office Space.
- Blank 5): Describe the Uniform Building Code (UBC) construction type in terms of the building's fire-resistivity (Type I, II, III, IV or V). Also note (in a word or two) the primary or predominant structural element(s) such as concrete, masonry, protected steel, etc.
- Blank 6): Describe the state of repair or overall physical condition of the facility being considered for a specific maintenance request. Example: Structurally sound, masonry walls cracked, steam system leaking, electrical distribution unsafe, windows/caulking deteriorated, interiors sound, etc.
- Blank 7): Fill in self-explanatory information requested.

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Blank 8): Fill in the Risk Management replacement dollar value of the building.

Blank 9): Check applicable boxes:

- a) Check the first box if the Facility Master Plan is undergoing changes or revisions, which anticipates facility use or functional changes.
- b) Check the second box if the Facility Master Plan indicates facility's useful life is less than five (5) years; demolition is proposed; or the facility will otherwise be removed from inventory.
- c) Check the third box if the facility's useful life is more than five (5) years or will be extended for at least five (5) years as a result of renovation, etc.
- d) Check the fourth box if capital construction, remodeling or renovation is planned and/or recently funded.
- e) Check the fifth box if the Facility Master Plan is obsolete; insert date of approval of the last Master Plan.

Blank 10): Check the appropriate box for facility audit information requested.

C. INTEGRATED PROGRAM PLAN DATA

Data 1 Blanks: This narrative description should expand upon the project title to describe in detail the Controlled Maintenance problem(s) to be corrected via this maintenance request and list proposed solution(s) to the problem(s). (Example: If a project will require phasing, the narrative should first begin with an overall description of the problem followed by a more detailed description of each required phase and the work to be performed in it. Note which phase is being requested in this year's request.)

Data 2 Blanks: Insert cost data requested. For the Ratio Cost, use the Total Project Cost of the detailed cost estimate (risk management replacement dollar value) and use the Facility Estimated Value listed under B.8.

Data 3 Blanks: Check appropriate box. If "yes", describe capital construction projects requested which relate to this CM facility request.

Data 4 Blanks: Describe the effects and impacts on program and physical maintenance of the facility if this project is not funded. Justify

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request by estimating adverse impacts on operating costs, additional deferred maintenance costs, and/or maintaining functional use of facility in terms of one of three operational criteria: Health and Safety Hazard, Disrupting Operations, Causing Damage or Deterioration.

Data 5 Blanks: Provide appropriate documentation - as indicated - to further convincingly support this request.

D. DETAILED COST ESTIMATE/BUDGET REQUEST

The form is based upon breaking down work items for UNIT PRICE ESTIMATING for the purpose of “thinking through” all of the work involved in the project, or to provide more accurate estimating of project costs. Resource information (in the construction industry) is also widely available in this format, such as Robert S. Means, Building Construction Cost Data published annually.

The form is adaptable to systems type estimating - when applicable and when Units are not logically subject to a breakdown - by inserting L.S. (abbreviation for Lump Sum) under the UNIT Column.

Describe all of the Work Items involved in the project, an estimate of their number of units multiplied by prevailing (substantiated) Unit Costs to obtain the Extended Cost for each Work Item. Under the Work Item column, indicate whether Labor (L), Material (M), Labor and Material (L & M) or Equipment (E) is included in the Work Item.

Add up all Extended Costs to arrive at the Subtotal Construction Cost.

Insert the contingency percentage, as an estimating variable, to allow for unknown concealed conditions, market uncertainty, etc., as it affects the project cost estimate. Multiply the contingency percentage by the subtotal construction cost and insert the dollar value under the Extended Cost Column.

E. PROPOSED PROJECT IMPLEMENTATION SCHEDULE (PLAN):

Top of Page: Fill in page number blanks.

Insert the dates for major milestones shown, which are planned by the agency, to accomplish the project or phase that is requested.

In preparing the schedule, the agency should assume that approved projects may not be allocated prior to July 1, _____. The schedule must make realistic allowances for the duration of all precedent activities; i.e., selection of consultants, negotiation and execution of consultant agreements, design/review of documents and duration of other applicable activities.

F. AGENCY APPROVAL/SIGNATURE

The agency shall sign and date the request.

G. PROPOSED PHASING OPTIONS (PROJECTS ESTIMATED TO BE GREATER THAN \$250,000)

1. BACKGROUND

Over the last few years, the number, scope, complexity and cost of systems-related maintenance requests has grown considerably. The expansion of these types of requests, while advantageous to the State due to the inherent project cost-savings involved, has resulted in considerably less flexibility for the legislative decision makers who must respond to the prioritized lists. This is particularly true when target budgets for the controlled maintenance program are not known in advance.

In order to provide the legislature with a budget request with built-in flexibility adequate to respond to a prioritized list at various funding levels, agencies are being asked to provide information regarding how projects might be phased, and what, if any, prior phases were funded and what, if any, future phases will be required.

2. PROCEDURE

The final item on the maintenance requests allows agencies to indicate how a project might be phased should overall funding of the program be inadequate to consider all high priority requests at the levels requested.

Indicate logical available phased options for the project in increments of approximately \$250,000 or greater, if practical. Do not indicate phasing in a manner which would tend to pre-obligate the State to fund the remaining portions. For example, avoid phasing all of the architectural/engineering work only as a phase I. Feasibility, life-cycle or planning studies, on the other hand, might be acceptable as a logical first phase. Use logical increments. If phasing is simply not possible such as might be the case in the replacement of a single large boiler, provide an appropriate explanation. In any case, provide a detailed explanation of the nature of the phases in the narrative description.

In projects requiring continued funding for future phases(s), list all prior phases as well as current and future phases, if applicable, including SBP assigned M#, and Agency Assigned Project #.

Do not inflate _____ dollars to their expected future year values. Note that it is expected that the cost of the sum of the phases would exceed the amount of the request, even in _____ dollars.

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Note also, that project review and prioritization by SBP will be based upon the entire request. SBP will not be recommending that Phase I only be funded. This information is simply for the additional flexibility required by the legislative decision makers.

2.6 **INSTRUCTIONS FOR COMPLETING _____ CONTROLLED MAINTENANCE REQUEST SUMMARY FORM SBP 95-04**

Top of Page: Fill in summary page numbers. Example: “Page 1 of 5, Page 2 of 5, etc.” in sequence

Blanks 1)

and 2): Fill in agency and department titles as on previous forms.

Blank 3): Insert complete date (month, day and year).

General: Information to be summarized on this Form SBP 95-04 is taken from the 5 Year Controlled Maintenance Program (Form CMP/SBP Rev. ____) and supported in detail by the Project Request Forms (SBP 95-01 Rev. ____):

- a) Agencies and institutions must list all prioritized projects from the 5 Year Plan. However, only the number one and two prioritized projects require supporting documents (i.e. Project Request Forms). Additional project requests supporting lower priorities may be provided at the agency’s discretion.
- b) Also include, if known, the total for all non-prioritized deferred maintenance projects which are not included in the 5 Year Plan, as identified through the facility audit survey. (If a survey has not yet been completed, list the total dollar amount of all additional CM projects not included in the 5 Year Plan.)

SEQUENTIALLY LIST ALL PROJECTS IN THE ORDER OF THE AGENCY’S PRIORITY NUMBER(S). GROUP SETS OF PRIORITY NUMBERS IN SEQUENCE; AS AN EXAMPLE: THREE AP ONES(1’S), THREE AP TWO’S (2’S), ETC. AS PER THE 5 YEAR CONTROLLED MAINTENANCE PROGRAM PLAN.

Blank 4): List the referenced agency’s project ID number, and SBP assigned M#, which is shown on the project request form (SBP 95-01).

Blank 5): Use the same project title as shown on request forms. Indicate the project/phase requested each fiscal year. For single phase projects, indicate “Phase 1 of 1.”

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- Blank 6): Insert project estimate (request) taken from the request forms. Indicate as applicable: total project cost, prior appropriation, budget year request and the project balance.
- Blank 7): Insert the agency's priority (AP) number(s).
- Blank 8): List the appropriate operational criteria (OC) number for each project as follows:
- a) Insert the OC number "1" for projects considered: "Health and Safety Hazards"
 - b) Insert the OC number "2" for projects considered to be: "Disrupting Operations"
 - c) Insert the OC number "3" for projects considered to be: "Causing Damage or Deterioration"
- Blanks 9 & 10): DO NOT FILL IN THESE BLANKS. State Buildings Programs will use this summary form and these blanks to rate ("score") each project.

2.6 INSTRUCTIONS FOR COMPLETING THE 5 YEAR CONTROLLED MAINTENANCE PROGRAM PLAN, FORM CMP/SBP (This form is also required in the "Budget Procedures Manual" issued by the Office of State Planning and Budgeting (OSPB). However, this 5 Year Plan is to be first approved by SBP prior to final submittal to OSPB).

Top of Page: Fill in summary page numbers. Example: "Page 1 of 5," "Page 2 of 5," etc. in sequence.

- Columns 1)
2): Fill in agency and department titles as on previous forms.
- Column 3): Insert complete date (month, day and year).
- Column 4): Insert the agency's priority (AP) number(s).
- Column 5): Insert SBP assigned project M# for continuing phased requests.
- Column 6): Use the same project title as shown on the request form. Indicate the project phase requested this fiscal year. For single phase projects, indicate "Phase 1 of 1."
- Column 7): Insert the total project cost for single phase projects, or multi-phase projects as indicated on page 3 of the project request form.

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- Column 8): Insert the cumulative dollar amount of all prior appropriations as indicated in the prior phasing “subtotal” on page 5 of the project request form, if applicable.
- Column 9): Insert the same dollar amount as the total project cost (Blank 7) for single phase projects requested this fiscal year or insert the dollar amount for the current phase requested this fiscal year for multi-phase projects and indicate phase.
- Column 10): Insert the same dollar amount as the total project cost (Blank 7) for single phase projects to be requested in future years or insert the dollar amount for each future phase as indicated on page 5 of the project request form for multi-phase projects and indicate phase.

NOTE: Multi-phase projects are not to exceed 5 phases. Additional phases cannot be added to on-going multi-phased projects as previously requested and partially funded without prior approval from SBP.

2.7 **INSTRUCTIONS FOR COMPLETING THE CONTROLLED MAINTENANCE PROJECT STATUS REPORT, FORM SBP 95-05**

All categories must be filled out for each project listed. If information is not available, it is acceptable to use “TBD” for “To Be Determined” or “N/A” for “Not Available.” In addition, if work was done by agency staff, indicate as “In House.”

Top of Page: Fill in summary page numbers. Example: “Page 1 of 5,” “Page 2 of 5,” in sequence.

Columns 1)

2): Fill in agency and department titles as on previous forms.

Column 3): Insert complete date (Month, Day and Year).

Column 4): Insert SBP assigned M# for controlled maintenance projects and SBP assigned EM# for emergency projects. For phased projects, indicate the phase with a numbered suffix. Example: M256-01, M256-02 etc. Where it is necessary to break up a particular phase, use an additional *letter* suffix. Example M256-01A, M256-01B, etc. Because all CM projects will be considered phase 1 of 1, it is preferable that the M# for single phase projects be listed with the “-01” suffix.

Column 5): Use the same project title as shown on previous request forms and indicate the project phase if applicable.

Column 6): Insert the dollar amount of the prior appropriation for each single phase project. For multi-phase projects, insert the dollar amount appropriated for each phase.

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- Column 7): Insert the dollar amount contributed to project from other funding sources.
- Column 8): Insert the date (Month and Year in numeric format) the project funds were appropriated. For example, June, 1994 should be entered as 6/94
- Column 9): Insert the total dollar amount of all fully executed contracts, purchase orders, etc.
- Column 10): Insert the actual or anticipated date (in numeric format) of the fully executed A/E contract. (Note: Must be accomplished within the 6 month deadline).
- Column 11): Insert the actual or anticipated date (in numeric format) the A/E construction documents are completed. For CM/GC projects insert the date the design development documents are completed and the GMP is approved.
- Column 12): Insert the actual or anticipated date (in numeric format) the project is to be bid. For CM/GC projects, insert the bid date for each bid package.
- Column 13): Insert the actual or anticipated date (in numeric format) of the fully executed contractor's agreement. For CM/GC contracts insert the date the contract is initially executed incorporating only the contractor's fees and general conditions.
- Column 14): Insert the actual or anticipated date (in numeric format) the project is to be fully occupied.
- Column 15): Insert the actual or anticipated date (in numeric format) the project close-out forms are fully signed-off.
- Column 16): Insert the name of the architect/Engineer (A/E).
- Column 17): Insert the name of the prime contractor.

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2.8 **INSTRUCTIONS FOR COMPLETING _____ ENERGY EFFICIENCY CONTRACT REPORT – FORM SBP _____**

State Buildings Programs now requires that agencies report energy efficiency contracts (energy performance contracts) as part of the Controlled Maintenance (CM) budget request process. This form is to be submitted along with the agency’s CM request package.

New energy efficiency contracts: Agencies that have signed an energy efficiency contract since the previous year’s CM request or are planning to enter into an energy efficiency contract in the next fiscal year should complete sections A and B of this form.

Existing energy efficiency contracts: Agencies with energy efficiency contracts signed prior to this year’s CM request should complete sections A and C of this form.

A. AGENCY BASIC DATA

Top of Page: Fill in summary numbers. Example: “Page 1 of 5,” “Page 2 of 5,” in sequence.

Blank 1): Fill in agency name as on previous forms

Blank 2): Fill in department name as on previous forms.

Blank 3): Insert Energy Efficiency Contract project number as assigned by agency.

Blank 4): Fill in the title of the energy efficiency contract.

Blank 5): Briefly describe the projects, e.g., boiler replacement, chiller modifications, lighting system upgrades, etc.

Blank 6): Name of person who prepared this form; preparation date (Month, Day and Year).

When section A has been completed, fill in either section B (for new or planned contracts) or section C (for existing contracts).

B. NEW ENERGY EFFICIENCY CONTRACTS

Fill in this section **only** if you are reporting on a new energy efficiency contract that was signed since the previous year’s CM request or if you are planning on entering into an energy efficiency contract in the next fiscal year. For existing contracts, skip this section and fill in section C.

ENERGY EFFICIENCY CONTRACT STATUS REPORT

Fill in this section to indicate the progress to date:

Blank 1): Insert completion date (Month and Year) of pre-feasibility study.

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- Blank 2): Insert date (Month and Year) RFP was issued.
- Blank 3): Fill in the name of the selected ESCO and the date (Month and Year) selected.
- Blank 4): Insert date (Month and Year) energy audit was signed; Insert the dollar amount of the audit (\$).
- Blank 5): Indicate if the energy audit was completed.
- Blank 6): Insert the date (Month and Year) of legislative approval, excluding higher education.
- Blank 7): Insert the date (Month and Year) the energy efficiency contract was signed; insert the dollar amount of the contract (\$); insert the contract term in years.
- Blank 8): Insert the date (Month and Year) of substantial completion of installation.

IMPACT ON CONTROLLED MAINTENANCE

List all unfunded CM requests that are energy-related and have the potential for being included in this energy efficiency contract. These could include replacements or improvements of lighting systems, heating/cooling/ventilating/air-conditioning (HVAC) systems, controls systems, windows, insulation, etc.

- Column 9): Insert the Agency Project # or M# if applicable.
- Column 10): Insert the year the CM project was requested, if applicable.
- Column 11): If this is a multi-phase project, insert the phase and the total number of phases.
- Column 12): Fill in the project title.
- Column 13): Insert the estimated dollar amount of the CM project (\$).
- Column 14): Insert the dollar amount applicable to the energy efficiency contract. For example, if a CM project request includes heating system and fire sprinkler work, in this column use the cost of the heating system that would be applicable to an energy efficiency contract. At the bottom of this column, enter the total.

LEGISLATIVE APPROVAL REQUEST FOR LEASE-PURCHASE

If an agency is pursuing an energy efficiency contract, prior legislative approval is required in order to enter into a lease-purchase agreement over \$50,000 (excluding higher education).

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Blank 15): Indicate if legislative approval is required.

Blank 16): Estimate the total energy efficiency contract amount (\$).

Blank 17): Estimate the annual energy savings due to the energy efficiency contract (\$).

Attach additional backup information as necessary to indicate source of estimates.

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C. REPORTING OF EXISTING EFFICIENCY CONTRACTS

Fill in this section **only** for energy efficiency contracts that were active during the past year, but were signed prior to the last Controlled Maintenance request. This section is updated every year until the contract terminates. For new contracts, skip this section.

PROJECT SUMMARY

Blank 1): Fill in the project title.

Blank 2): Insert the project number, as assigned by the agency.

Blank 3): Insert the dollar amount of the signed contract (\$).

Blank 4): Insert the date the contract was signed (Month and Year).

Blank 5): Insert the contract term in years.

IMPACT ON CM REQUESTS

List all unfunded CM requests that were included in the signed energy efficiency contract.

Column 6): Insert the CM project M#.

Column 7): Insert the year the Cm project was requested.

Column 8): If this was a multi-phase project, insert the phase or phases included.

Column 9): Fill in the CM project title.

Column 10): Insert the dollar amount for the CM project request (\$).

Column 11): Insert the dollar amount of the CM request that is covered by the energy efficiency contract. For example, if a CM project request includes heating system and fire sprinkler work, include the cost of the heating system that was covered by the energy efficiency contract. At the bottom of this column, enter the total.

ANNUAL SAVINGS TRACKING

This section tracks the savings reported by the ESCO to the agency. Include all past and current year savings to date in this section.

Column 12): Insert the fiscal year of the reported savings.

Column 13): Insert the dollar amount of the actual savings reported for the fiscal year (\$).

CONTRACT TERMINATION

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Blank 14): Insert the date (Month and Year) when the contract ended, if applicable.

3.0 APPENDIX

3.1 THE PHYSICAL PLANT CATEGORIES

The Physical Plant System is defined in terms of its component parts of the Building and of the Site.

The component items are listed under sub-categories which in turn are listed under five major categories.

EXAMPLE: Architectural (category), Structure (sub-category), Footings (component item).

The list is not all inclusive. Blank spaces are provided to identify component items which are not listed under a particular system.

NOTE: WHILE THE PHYSICAL PLANT CATEGORIES WILL NOT BE DETERMINANTS IN RATING OF PROJECTS, THE CATEGORIES/SUB-CATEGORIES WILL BE UTILIZED IN SPECIFICALLY DOCUMENTING THE CONTROLLED MAINTENANCE PROGRAM PROBLEMS.

Categories/Sub-categories/Items

.01 Architectural

Structure: Footings, foundations, columns, bearing walls, beams, girders, joists, structural flooring and decking.

Roofing: Roofing, skylights, roof hatches, roof vents, flashings, gutters, exterior downspouts, gravel stops, and copings.

Exterior Shell: Building panels, cladding, siding, exterior paint, exterior sealant, exterior masonry, exterior concrete, and curtain wall systems. Does not include doors, windows.

Insulation: Building insulation, roof insulation, cold storage insulation, foundation insulation, and vapor barriers. Does not include: Mechanical equipment and piping insulation.

Doors: Exterior doors, interior doors, door frames, overhead doors, and door hardware.

Windows: Exterior and interior windows, window frames, clerestory windows, greenhouse coverings, window hardware and all glazing except skylights.

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Floor Finishes: Floor paint, ceramic tile (floor), quarry tile, terrazzo (floor), stone flooring, wood flooring, resilient flooring, attached athletic flooring, carpet, carpet cushions, and flooring underlayment.

ceiling), Wall Finishes: Interior concrete, interior masonry, interior paint (wall and ceramic tile (wall), terrazzo (wall), plaster, wallboard, paneling wall paper, wall carpet.

Ceiling Finishes: Acoustical tile, plaster ceilings and cornices and wallboard ceiling.

Specialties: Relocatable partitions (full height), movable partitions, folding doors, mesh partitions, toilet partitions, building signage and directories, chalkboards, tackboards, toilet room accessories, lockers, screens, and access flooring.

Equipment: General assignment furniture, library shelving, blinds, shades, drapes, shutters, casework, built-in lab equipment, and fume hoods.

Elevators - Passenger and freight elevators, dumbwaiters, escalators, and material

Conveyances: conveyors.

.02 Mechanical

Plumbing: Domestic hot water, domestic cold water, circulating pumps, interior storm water, sanitary sewer, natural gas, lab gas, fixtures, trim, water coolers, swimming pool systems, and insulation for items in this category.

Air Moving: Grilles, registers, duct work, supply fans, exhaust fans, air handling units and coils, air mixing boxes, and balancing of air systems.

Heating: Steam heating systems, steam PRV, condensate systems, condensate pumps, radiators, finned tube radiation, convectors, fan coil units, cabinet heaters, unit heaters, unit ventilators, boilers, furnaces, heating heat exchangers, heating pumps, hot water heating systems and insulation for items in this category.

Cooling: Chillers, cooling towers, chilled water systems, brine systems, DX systems, evaporative coolers, greenhouse cooling systems, air

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washers, humidification systems, unit air conditioners, and insulation for items in this category.

Temperature Control Fire Electric, electronic, and pneumatic control systems for plumbing, air moving, heating and cooling systems. Does not include: alarm and central monitoring systems.

Fire Protection Systems: Interior fire sprinkler systems, standpipes, firepumps, fire hoses, water and chemical types, including hand-held fire extinguishers and chemical types, including hand-held fire extinguishers.

.03 Electrical

Service and Distribution: Transformer, main distribution panel, main switchgear, breakers or fuses, feeders, branch circuit panels, and motor control centers.

Lighting: Lighting fixtures, fixture control devices, emergency lighting units, and wiring and conduits from lighting panel.

Power: Disconnects, outlets, motor starters, miscellaneous power control devices, and wiring and conduit from power panel.

Alarm: Fire, high-water security alarms and alarm systems and central monitoring systems.

Telecomm.: Telephone, television, miscellaneous communications, intercom, public address, class bell, clock systems, and microwave communication systems. (Note: information technology requests should first be reviewed with the Information Management Commission (IMC) to determined the appropriate funding source.)

Power Generation: Emergency generator, UPS, transfer switch, and associated fuel tanks and systems.

.04 Site Utilities

Electrical: Duct bank, wire, switches, meters, poles, and multiple building transformers required to transfer electrical energy from the point of delivery by the utility company to a particular building. If building is fed with primary power, transformer and secondary wiring is included with the building. If building is fed with secondary power, the weather head or building line is boundary line.

Telecomm.: Conduit and other institution-owned services (up to building) required to support central telephone operations. Wire, conduit,

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amplifiers, transmission equipment, etc., required to support other institution communications services such as television, computer cable, microwave transmission, and radio. Does not include: PBX switching, broadcast studios, or computer equipment.

Central Alarm: The wire, conduit, and miscellaneous devices required to transmit alarm and other operating data from a building to a central collection point.

Steam/HTHW: The piping and devices necessary to transmit heat energy from a central heating plant to various buildings. Building/site boundary line is the Pressure Reducing Valve (PRV) and condensate lift station or the water/water heat exchanger. Does not include the central heating plant.

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- Chilled Water: The piping and devices necessary to transport chilled water from a chilled plant to various buildings. Boundary line shall be the building shut-off valves.
- Control Air: The piping and devices necessary to transport air from a central station to various buildings for temperature control purposes. Boundary line shall be the PRV station.
- Process Air: Similar to control air except the air should be used for process purposes.
- Domestic Water: Piping, valves, meters, and pits used to distribute domestic water. Boundary line is first shut-off valve inside building.
- Irrigation: Untreated, non-domestic water distribution system for irrigation purposes. Including ditches, head gates, weirs, pumps, filters, piping and PRV stations. See also Watering Systems.
- NOTE: Where domestic water is used for irrigation purposes, include under domestic water.
- Sanitary Sewer: Piping, manholes, and lift stations used for sanitary sewer. Boundary line is building line.
- Storm Sewer: Piping, manholes, catch basins, lift stations, and retention ponds used for storm water and subsurface drainage. Boundary line is building line.
- Street Lights: Poles, wiring, conduit, transformers, fixtures, and switches used for free standing street and site lights. Fixtures attached to buildings shall be included as building lighting. Boundary line is the control panel which feeds the lighting system.
- Natural Gas: Piping, meters, anodes, valves, and regulators used to transport natural gas to buildings. Boundary line is building regulator or meter.
- Heating/Plant: The equipment necessary to produce heating or cooling energy for more than one building. The structure housing heating or cooling plant equipment is classed as a building.
- Sewage Treatment: The equipment necessary to treat, discharge, and dispose of sanitary sewage for more than one building. The building housing the treatment plant is classed as a building.
- Electrical Generating: The equipment necessary to generate electrical energy on a regular basis for more than one building.

.05 Environmental

Hazardous Materials: Includes investigation, removal & disposal of hazardous materials such as asbestos, CFCs, PCBs, storage tanks, etc.

.06 Site Facilities

Watering Systems: Valves, piping and sprinklers for underground lawn sprinkler systems.

Systems: Boundary line between watering systems and irrigation or domestic water systems is zone control valve.

Athletic Surfaces: Exterior athletic surfaces such as tennis court surfaces, all weather track surfaces, or “astro-turf”.

Athletic Equipment: Permanent built-in site athletic equipment such as tennis court nets, basketball backboards, goal posts, and scoreboards.

Streets:

Parking Lots:

Curbs and Gutters:

Walks and Courts: Various site hard surfaces.

Steps:

Fences:

Fountains and Pools: Fountains and pools including pumps and filters.

Furnishings: All permanently installed site furnishings such as benches, bus stops, trash cans, flag poles, and canopies.

Trees: Include all major landscape items. Does not include bushes or other small vegetation items.

Signage: Includes all permanently installed and detached from buildings signage.

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4.0 FORMS

The forms following this index are intended to be removed, reproduced, and used by the agency.

SBP 95-01 Rev. __ – Controlled Maintenance Project Request FY ____	(5 pages)
SBP 95-04 Rev. __ – Controlled Maintenance Request Summary – FY ____	(1 page)
CMP/SBP Rev. __ – 5 Year Controlled Maintenance Program Plan	(1 page)
SBP 95-05 Rev. __ – Controlled Maintenance Project Status Report FY ____ through ____	(1 page)
SBP 98-01 – Energy Efficiency Contract Report FY ____	(5 pages)

CONTROLLED MAINTENANCE PROJECT REQUEST - FY

A. AGENCY BASIC DATA:

- 1) Agency _____
- 2) Department _____
- 3) Physical Plant ID No. _____
SBP Project M# _____
- 4) Agency Priority # _____
- 5) Project Title _____

B. FACILITY PROFILE

- 1. Facility Type Site (Utilities) _____
or Site (Facilities) _____
or Building (Name) _____
Risk Mgmt. Bldg(s) ID# _____
- 2. Facility Location: _____
- 3. Facility Area/Age: GSF _____, ASF _____, Date Built _____
- 4. Facility Functional Use/Occupancy: _____
- 5. Facility Construction (Type): _____
- 6. Facility Physical Condition (Describe): _____
- 7. Facility - Intensity of Use Time(s) of Operation: Hours/Day, Days/Months;
Months/Year: _____
- 8. Facility - Risk Management Dollar Value \$ _____
- 9. Facility Master Plan Status - Check one or more of the following:
 - _____ Major changes or revisions anticipated in near future.
 - _____ Facility 'useful' life is less than five (5) years.
 - _____ Facility 'useful' life is more than five (5) years.
 - _____ Facility renovation is planned.
 - _____ Master Plan is obsolete; Last Date Approved: _____
- 10. Facility Audit Survey Status (Check one or more of the following:)
 - _____ Facility Audit Survey concluded and submitted to SBP - Date _____
 - _____ Facility Audit Survey is underway but not yet complete.
 - _____ Facility Audit Survey has not yet been initiated at this time.

CONTROLLED MAINTENANCE PROJECT REQUEST - FY

C. INTEGRATED PROGRAM PLAN DATA

1. Narrative Description of CM Problem (previous, current and future):

2. Total Project Cost Estimate (From Cost Breakdown) \$_____

a) Unit Cost: \$_____/GSF; Other: \$_____/_____

b) FCI* (Total Project Cost Deficiency ÷ Facility Replacement Value) =

3. Are there Capital Construction Projects (Renovation, Health and Safety, Energy Retrofit, Etc.) being requested in the current fiscal year for this facility? No ___ Yes___ Describe project(s): _____

4. Consequences (cost effects, program impacts, facility impact, etc.) of not funding and justification for this specific program request: _____

5. Additional information to support this request? (Describe)

a) _____

b) Supplemental Sheet(s) Attached? (Photographs, sketches, maps, etc.)

* FCI - Facility Condition Index

CONTROLLED MAINTENANCE PROJECT REQUEST - FY

Page 40 of _____

E. PROPOSED PROJECT IMPLEMENTATION SCHEDULE (PLAN):

PHASE	FROM	TO
1. Pre-Design (Insert Dates)	_____	_____
2. Design (Insert Dates)	_____	_____
3. Construction (Insert Dates)	_____	_____
4. Project Close-out/Final Completion	_____	

F. AGENCY APPROVAL

Prepared By _____

Date: _____

Agency Authorized Signature _____

CONTROLLED MAINTENANCE PROJECT REQUEST - FY

G. PROPOSED PHASING OPTIONS¹

PRIOR PHASING²

Proj. M#	Phys. Plant ID #	Fiscal Year	Phase or Phases of Work	Dollar Amount (Actual Appropriation)
		FY _____		

\$ _____ (subtotal)

CURRENT PHASE³ REQUESTED

Proj. M#	Phys. Plant ID #	Fiscal Year	Phase of Work	Dollar Amount (Per Detailed Budget)
		FY _____		

\$ _____ (subtotal)

FUTURE PHASING³

Proj. M#	Phys. Plant ID #	Fiscal Year	Phase or Phases of Work	Dollar Amount (Per Detailed Budget)

\$ _____ (subtotal)

Additional Cost of Phasing

(Attach a brief explanation of phasing concept, or explanation of why phasing in logical increments, approximating \$250,000, is not a viable option)

\$ _____

Total Dollar Amount of Phased Construction

(Prior, Current and Future Phases)

\$ _____

¹ Please provide a project description that explains the previous, current and all future phases on page 2 of this specific request form in the narrative description.

² Please list all previous phases with actual appropriation by year.

CONTROLLED MAINTENANCE PROJECT REQUEST - FY

Page 42 of _____

³ Please list all current and anticipated future phases with estimated budgeted costs.

CONTROLLED MAINTENANCE REQUEST SUMMARY FY

Page ____ of ____

1) Agency _____ 2) Department _____

3) Date _____

				Agency Priority No. AP	Operation al Criteria x OC	Critical Index x CI	Project Score = PS
4) PROJ. M#	PHYS. PLAN T ID NO.	5) PROJECT TITLE	6) PROJ. ESTIMAT E \$	7) Nos. 1-5	8) Nos. 1-3	9)	10)
		Phase ____ of ____ Total Project Cost: Prior Appropriation: FY ____ Request: Project Balance:					
		Phase ____ of ____ Total Project Cost: Prior Appropriation: FY ____ Request: Project Balance:					
		Phase ____ of ____ Total Project Cost: Prior Appropriation: FY ____ Request: Project Balance:					
		¹ 5-Year CM plan Total \$					
		² Non-Prioritized Deferred Maintenance Total \$					
		³ Total CM Request \$					

CONTROLLED MAINTENANCE REQUEST SUMMARY FY

Page ____ of ____

¹ 5-Year plan total includes current and future requests only, do not include prior appropriations.

² Provide total non-prioritized deferred maintenance number, if known, (from facility audit survey, or other source). (Note: non-prioritized deferred maintenance total dollar amount is to compiled from projects not on the 5-year plan) (Include extraordinary project request totals in this number.)

³ Total of the 5-Year plan total and non-prioritized total.

CONTROLLED MAINTENANCE PROJECT STATUS REPORT – FY

(FY 96/97 THROUGH FY 98/99)

Page ____ of ____

(1) AGENCY _____

(2) DEPARTMENT _____

(3) DATE _____

(4) Project M#	(5) Project Title	(6) State Funds Apppr.	(7) Other Funds	(8) Date Funds Avail.	(9) Percent Encum b.	(10) Design Contra ct Date	(11) Design Comp. Date	(12) Constr. Bid Date	(13) Constr. Contra ct Date	(14) Exp. Occup. Date	(15) Project Close- out Date	(16) Name of A/E	(17) Name of Prime Contracto r

CONTROLLED MAINTENANCE PROJECT STATUS REPORT – FY

(FY 96/97 THROUGH FY 98/99)

Page ____ of ____

--	--	--	--	--	--	--	--	--	--	--	--	--	--

FIVE YEAR CONTROLLED MAINTENANCE PROGRAM PLAN – FY

(1) AGENCY _____

(2) DEPARTMENT _____

(3) DATE _____

(4) Agency Priority Number	(5) Project M#	(6) Project Title	(7) Total Project Cost	(8) Prior Appropri.	(9) Budget Year Request FY ____	(10) Year Two Request FY ____	(10) Year Three Request FY ____	(10) Year Four Request FY ____	(10) Year Five Request FY ____
TOTALS FOR EACH FISCAL YEAR									

FIVE YEAR CONTROLLED MAINTENANCE PROGRAM PLAN – FY

Page 2 of _____

TOTAL CM 5-YEAR REQUEST \$ _____

A. AGENCY BASIC DATA

Fill in this section for both new and existing energy efficiency contracts.

1) Agency: _____ 2) Department:

3) Energy Efficiency Contract Project Number: _____ (as assigned by agency)

4) Energy Efficiency Contract Project Title:

5) Brief Project Description:

6) Prepared by _____ Date _____

B. NEW ENERGY EFFICIENCY CONTRACTS

If you are reporting on an energy efficiency contract that has been signed since the previous year's CM request or are planning to enter into an energy efficiency contract in the next fiscal year (FY _____) complete this section. For existing contracts, skip to section C.

ENERGY EFFICIENCY CONTRACT STATUS REPORT

1. Pre-feasibility study completed

Date: _____

2. RFP issued to select an energy service company (ESCO)

Date: _____

3. ESCO selected

Date: _____

ESCO name: _____

4. Energy Audit/Project Development Agreement signed; audit funds encumbered.

Date: _____

Audit(s): _____

5. Energy audit completed

Yes No

6. Pre-approval to enter lease-purchase agreement over \$50,000

Date of legislative approval: _____

7. Energy efficiency contract signed

Date: _____

Contract Amount: \$ _____

Contract Term: _____ years

8. Installation completed and accepted (also known as "substantial completion date")

Date: _____

No__ HIGHER EDUCATION: no approval needed; skip the remainder of this section.

Yes__ OTHER: approval required; complete the remainder of this section.

16. Estimate of total energy efficiency contract amount \$ _____

17. Estimate of annual energy savings due to the energy efficiency contract
\$ _____

C. EXISTING EFFICIENCY CONTRACTS

If you are reporting on an active energy efficiency contract that has been signed prior to the previous year’s CM request, complete this section. Otherwise, skip this section.

PROJECT SUMMARY

- 1) Project Title _____
- 2) Project Number _____
- 3) Signed Contract Amount \$ _____
- 4) Date Contract was Signed _____
- 5) Signed Contract Term _____ years

(6) Project M#	(7) Year of CM Request	(8) Project Phase (__ out of __)	(9) Project Title	(13) CM Project Request Amount	(14) Amount of CM Request Covered by Energy Efficiency Contract

APPENDIX A

CENTRAL AGENCY CONTACT LIST

		PHONE	FAX
GENERAL SUPPORT SERVICES			
<i>Executive Director's Office</i>			
Emergency Maintenance Projects	Sue Brooks	866-6544	866-6569
<i>State Controller's Office</i>			
Contracts	Chris Trujillo	866-3820	866-3569
	Phil Holtmann	866-3809	866-3569
Field Accounting Services Team	Linda Bradley	866-4162	866-4233
	Roger Cusworth	866-3891	866-4233
	Bob Haberkorn	866-2626	866-4233
	Jeff Parker	866-4161	866-4233
	Dottie Relaford	866-4165	866-4233
	Dianne Stump	866-3890	866-4233
<i>Division of Purchasing</i>			
State Buildings Program	Larry Friedberg	866-3158	894-7444
DEPARTMENT OF LAW			
Attorney General's Office	David Kaye	866-5227	866-5691
GENERAL ASSEMBLY			
Capital Development Committee	Amy Zook	866-4750	866-3855

APPENDIX B

PROJECT FORMS

- ◆ Advertisement for Bids
- ◆ Agreement (for construction, not architect/engineer agreement)
- ◆ Application for Payment of Architect/Engineer Fees
- ◆ Authorization To Bid
- ◆ Bid Bond
- ◆ Certificate For Contractor's Payment
- ◆ Certification For Personal Services Contracts
- ◆ Change Order
- ◆ Change Order Proposal
- ◆ Contract Routing/Documentation Form
- ◆ Contractor's Application for Payment
- ◆ Emergency Field Change Orders
- ◆ General Conditions of the Contract
- ◆ Information for Bidders
- ◆ Labor and Material Payment Bond
- ◆ Minority and Women Business Enterprises Contract Compliance Report (W/MBE-1)
- ◆ Notice of Acceptance
- ◆ Notice of Award
- ◆ Notice of Contractor's Settlement
- ◆ Notice to Proceed
- ◆ Order of Assignment of Account
- ◆ Performance Bond
- ◆ Project Application SC4.1
- ◆ Purchase Order
- ◆ Purchase Requisition
- ◆ Record of Authorized Signatures for Vouchers/Contracts
- ◆ Request For Taxpayer Identification Number Verification
- ◆ Special Supplementary General Conditions

STATE OF COLORADO

ADVERTISEMENT FOR BIDS

PROJECT NO.

PROJECT DESCRIPTION:

SEALED PROPOSALS will be received from qualified contractors by the Director, State Buildings Programs, Division of Purchasing, Capitol Life Building, 225 E. 16th Avenue, Suite 900, Denver, Colorado 80203, until _____ a./p.m on the ___ day of _____, 1998 and then and there publicly opened and read aloud in Room 900, same building.

PROJECT:

1. The entire project shall be accomplished within ___ calendar days plus ten (10) calendar days from the date of the Notice to Proceed, including the delivery of any or all guaranties and warranties, the submittal of sales and use tax payment forms, the calling for the final inspection and the completion of the final punch list. Failure to complete the work as prescribed shall be considered as a breach of Contract and subject to Time of Completion and Liquidated Damages, in accordance with Article 49 of the General Conditions of the Contract.
2. The right is reserved to waive informalities or irregularities and to reject any and all Bids.
3. Bidders may procure Bidding Documents from:
4. A Deposit of _____ will be required for each complete set of Contract Documents. This deposit shall be a guaranty that the documents will be returned in good condition. Such deposits will be returned to (1) Actual bidders who return the documents before the termination of five working days after the opening of the Proposals, (2) Other interested parties who return the documents within five working days after checking them out. Additional copies of any documents, drawings, or specifications will be supplied at the actual cost of reproduction. Bidders desiring the Architect to mail bid documents will be required to pay the full cost of mailing. Such expenses will be non-refundable.
5. Each Proposal shall be submitted on the required Proposal Form and must be accompanied by a Bid Bond in an amount not less than 5% of the total Proposal. The Bid Bond may be (1) a cashier's check or (2) a certified check shall be made payable to the Treasurer of the State of Colorado. The Bid Bond is submitted as a guaranty that the Bid will be maintained in full force and effect for a period of thirty (30) days after the opening of Bids for the project.
6. The Bidder promises, in submitting his Proposal, that if issued a Notice of Award, he will, within the prescribed time, execute the required Agreement, furnish the required Performance



STATE OF COLORADO

AGREEMENT

Project No. _____

PROJECT (S):

THIS AGREEMENT is between the **STATE OF COLORADO**, acting by and through the _____, hereinafter called the **PRINCIPAL REPRESENTATIVE**, and, a Colorado corporation organized and existing under and by virtue of the laws of the State of Colorado, hereinafter called the **CONTRACTOR**.

As a state funded project, the Principal Representative is authorized to expend a total of AND NO/100 (\$ _____).

WITNESSETH, that the State of Colorado and the Contractor agree as follows:

1. The Contractor agrees to furnish all the work, labor and materials, and perform all the work required for the complete and prompt execution of everything described or shown in, or reasonably implied from the Contract Documents, including the Drawings and Specifications for the above described project.
2. The Contractor agrees to do the work in a first class, substantial and workmanlike manner to the satisfaction of the State of Colorado and its Architect/Engineer in strict accordance with the provisions of the Contract Documents, including the Drawings and Specifications.
3. The Contractor agrees to complete the entire project within _____ calendar days plus ten (10) calendar days from the date of the Notice to Proceed, to begin work within ten (10) days from such Notice and to prosecute the work with due diligence to completion.
4. The Contractor agrees that the completion of the project within this time limit is an essential feature of this Agreement and agrees to proceed with due diligence, taking all precautions and making all necessary arrangements to ensure the completion of the work within the prescribed time.
5. The Contractor agrees that his failure to complete the work within the time allowed shall be considered as a breach of the Contract and entitle the State of Colorado to collect Liquidated Damages for delay in completion, in accordance with Article 49, of The General Conditions of the Contract.
6. The Contractor shall be paid for the performance of this Agreement, subject to any additions and deductions, as provided for in Article 26 of The General Conditions of the Contract, the sum of _____ (\$ _____) ± as provided for in Article 15, of The General Conditions of the contract.
7. The Contract Documents, as enumerated in Article 1 of The General Conditions of the Contract, are all essential parts of this Agreement and are hereby incorporated herein, by reference, as fully set forth herein.
8. Pursuant to CRS 24-30-202.4 (as amended), the state controller may withhold debts owed to state agencies under the vendor offset intercept system for:
 - (a) unpaid child support debt or child support arrearages; b) unpaid balance of tax, accrued interest, or other charges specified in Article 22, Title 39, CRS; (c) unpaid loans due to the student loan division of the department of higher education; (d) owed amounts required to be paid to the unemployment compensation fund; and (e) other unpaid debts owing to the state or any agency thereof, the amount of which is found to be owing as a result of final agency determination or reduced to judgment as certified by the controller.

9. THIS AGREEMENT shall not be deemed valid until it has been approved by (1) the State Controller or his authorized representative, (2) the Governor or his authorized representative.
10. The Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither the Contractor nor any agent or employee of the Contractor shall be or shall be deemed to be an agent or employee of the state. Contractor shall pay when due all required employment taxes and income tax and local head tax on any moneys paid pursuant to this contract. Contractor acknowledges that the Contractor and its employees are not entitled to unemployment insurance benefits unless the Contractor or a third party provides such coverage and that the state does not pay for or otherwise provide such coverage. Contractor shall have no authorization, express or implied, to bind the state to any agreements, liability, or understanding except as expressly set forth herein. Contractor shall provide and keep in force worker's compensation (and show proof of such insurance) and unemployment compensation insurance in the amounts required by law, and shall be solely responsible for the acts of the Contractor, its employees and agents.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in original and four counterparts at

Denver, Colorado the _____ day of _____, 19_____.

through: **STATE OF COLORADO**, acting by and

By

Principal Representative

(Corporate Seal)

THE CONTRACTOR

ATTEST

Secretary

By _____
Name Title

Social Security Number or Federal ID Number

SIGNATURES:

If the Contractor is doing business as a Corporation, the Agreement shall be signed by an officer, i.e., President or Vice-President. The signature of the officer signing shall be attested to by the Secretary and properly sealed. If the contractor is an individual or a partnership, the Agreement shall so indicate and be properly signed.

DIVISION OF PURCHASING
STATE BUILDINGS and REAL ESTATE PROGRAMS

DIVISION OF ACCOUNTS AND CONTROL

Account No.

By _____

By

Larry J. Friedberg, Director

State Controller

ATTORNEY GENERAL, STATE OF COLORADO

By _____

395-61-01-6211
State Form SC-6.21
Issued 9/1/65 (Rev. 3/98)

APPLICATION FOR PAYMENT OF ARCHITECT/ENGINEER FEES

App. No. _____ Firm Name _____ Date _____

Proj. No. _____ Project Title _____

Institution/Agency _____

PO No. _____ FEIN _____

FUND	AGENCY	ORG	SUBORG	APPR	OBJ	SUBOBJ	GBL	BAL SH AT	RPT CAT	AMOUNT

FEES	AUTHORIZED	% COMPLETE	EARNED
------	------------	------------	--------

A. FEES PER PROJECT PHASE

- | | | | |
|--|----------|-------|----------|
| 1. Study or Programming Phase | \$ _____ | _____ | \$ _____ |
| 2. Schematic Design Phase | \$ _____ | _____ | \$ _____ |
| 3. Design Development Phase | \$ _____ | _____ | \$ _____ |
| 4. Construction Document Phase | \$ _____ | _____ | \$ _____ |
| 5. Bidding Phase | \$ _____ | _____ | \$ _____ |
| 6. Other Services | \$ _____ | _____ | \$ _____ |
| 7. Construction Contract Admin. | \$ _____ | _____ | \$ _____ |
| 8. Fees for Additional Services to Date
(Attach breakdown) | \$ _____ | _____ | \$ _____ |
| 9. Reimbursable Expenses to Date
(Attach proof of payment for billings
included in this application) | \$ _____ | _____ | \$ _____ |
| TOTAL | \$ _____ | | \$ _____ |

B. LESS PREVIOUS APPLICATIONS \$ _____

C. AMOUNT OF THIS APPLICATION \$ _____

D. SIGNATURES

1. ARCHITECT/ENGINEER _____ DATE _____
2. INSTITUTION/AGENCY _____ DATE _____
3. STATE BUILDINGS PROGRAMS _____ DATE _____

AUTHORIZATION TO BID

PROJECT NO.

(CAPITAL CONSTRUCTION PROJECTS ONLY)

STATE OF COLORADO • DEPARTMENT OF PERSONNEL • STATE BUILDINGS PROGRAMS

PROJECT NAME
ATTACH LETTER OF COMPLIANCE FROM CODE REVIEW CONSULTANT/BUILDING OFFICIAL.

PROJECT APPLICATION RE-CAP (REVISE STATE FORM SC 4.1, IF NECESSARY)

TOTAL APPROVED FOR PROJECT	
.\$ _____	
PROFESSIONAL SERVICES (A-TOTAL).....	\$ _____
PROJECT CONTINGENCIES (C-TOTAL).....	_____
MOVABLE EQUIPMENT (D-TOTAL).....	_____
OTHER (E-TOTAL).....	_____
PERCENTAGE FOR ART (B.4.).....	_____
FUNDS RESERVED FOR OTHER SEGMENTS OF AND/OR CONTRACTS FOR THIS PROJECT	
* ATTACH EXPLANATION *.....	_____
TOTAL	\$ _____
	(-)
.\$ _____	
FUNDS AVAILABLE - THIS BID\$ _____
ARCHITECT/ENGINEER ESTIMATE - THIS BID	
.\$ _____	
(MUST NOT EXCEED FUNDS AVAILABLE)	

APPROVALS

1	PRINCIPAL REPRESENTATIVE:	_____	DATE
	SIGNATURE	_____	_____
2	ARCHITECT/ENGINEER:	_____	DATE
	SIGNATURE	_____	_____

3	CONSTRUCTION MANAGER (IF APPLICABLE): SIGNATURE _____ DATE _____
4	STATE BUILDINGS PROGRAMS - PROJECT ADMINISTRATOR: SIGNATURE _____ DATE _____

5	DELIVER TO CONTRACTS SECTION • STATE BUILDINGS PROGRAMS
---	---

BID SCHEDULE (COORDINATED BY STATE BUILDINGS DIVISION - PROJECT ADMINISTRATOR)

DATE	LOCATION
TIME	



State of Colorado

Bid Bond

PROJECT NO. _____

PROJECT:

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, _____ hereinafter called the "PRINCIPAL", is submitting a PROPOSAL for the above described project, to the STATE OF COLORADO, hereinafter called the "OBLIGEE".

WHEREAS, the Advertisement for Bids has required as a condition of receiving the Proposals that the Principal submit with the PROPOSAL GUARANTY in an amount not less than five per cent (5%) of the Proposal, which sum it is specifically agreed is to be forfeited as Liquidated Damages in the event that the Principal defaults in his obligation as hereinafter specified, and, in pursuance of which Requirement, this Bid is made, executed and delivered.

NOW THEREFORE, the principal and

a corporation of the State of _____, duly authorized to transact business in Colorado, as Surety, are held and firmly bound unto the Obligee, in the sum of five per cent (5%) of the Principal's total bid price, lawful money of the United States for the payment of which sum, well and truly to be made to the Obligee, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

FURTHER THAT, a condition of the obligation that the Principal shall maintain his Proposal in full force and effect for thirty (30) days after the opening of the proposals for the project, or, if the Principal's Proposal is accepted, the principal shall, within the prescribed time, execute the required Agreement, furnish the required Performance Bond, Labor and Material Payment Bond, Insurance Policy, and Certificates of Insurance, then this obligation shall be null and void, otherwise it shall remain in full force and effect, and subject to forfeiture upon demand as Liquidated Damages.

IN WITNESS WHEREOF said Principal and Surety have executed this Bond, this _____ day of _____, A.D., 19____.

(Corporate Seal)

THE PRINCIPAL

_____ Address

ATTEST:

Secretary

By _____

SIGNATURES

If the "Principal" is doing business as a Corporation, the Bid Bond shall be signed by an officer, i.e., President or Vice President. The signature of the officer shall be attested to by the Secretary and properly sealed.

If the "Principal" is an individual or a partnership, the Bid Bond shall so indicate and be properly signed.

(Corporate Seal)

THE SURETY

By _____

Attorney-in-Fact

THIS BOND MUST BE ACCOMPANIED BY POWER OF ATTORNEY, EFFECTIVELY DATED. FAILURE TO PROVIDE A PROPERLY EXECUTED BID BOND WITH A PROPERLY EXECUTED POWER OF ATTORNEY WILL RESULT IN THE BIDDER'S PROPOSAL BEING DEEMED NON-RESPONSIVE.

CHANGE ORDER Number _____ Date _____, 19____

To:		

Contractor		

Address		

City	State	Zip

Project Number	Fund Number	C.E. Number
_____	_____	_____
Project Title		

Institution or Agency		

Your proposal, dated _____ is hereby being designated for approval of the following work:

(Note: If more space is needed for description of work, attach additional 8-1/2" x 11" sheets hereto.)

This change order was originated by the Contractor (), Architect/Engineer (), State (), and I/We do hereby recommend acceptance and approval of the change to the contract with an increase (), no change (), of \$_____

Contract completion date is extended _____ days (), is not extended ().

New completion date is _____
 Month Day Year

_____ Architectur/Engineering Firm	_____ Signature	_____ Date
_____ Contractor (Name of Firm)	_____ Signature	_____ Date
_____ Institution or Agency	_____ Authorized Signature	_____ Date

<u>CONTRACT STATUS</u>	
ORIGINAL CONTRACT VALUE	\$ _____
Previous Increases by C.O.	\$ _____
Previous Decreases by C.O.	\$ _____
VALUE AFTER PRIOR C.O.'s	\$ _____
This C.O. Increase () Decrease ()	\$ _____
CURRENT CONTRACT VALUE	\$ _____

<u>APPROVAL BY STATE OFFICIALS</u>	
_____ State Buildings Programs	_____ Date
_____ State Controller	_____ Date
_____ (Verification)	

**CHANGE ORDER
PROPOSAL -
(COST/PRICE DATA SUMMARY)**



Bulletin
Number: _____ Dated _____, 19____

Contractor	
Project No.	Project Title

Change Order Bulletin - Description of Changes:

(Before completing this form, read instructions on reverse side.)

PART I - WORK PERFORMED BY CONTRACTOR

Line 1.	Direct Labor Costs	\$ _____
Line 2.	Labor Overhead (Payroll Taxes and Insurance) (_____% X Line 1)	\$ _____
Line 3.	Total Contractor's Labor Costs	\$ _____
Line 4.	Direct Materials Cost	\$ _____
Line 5.	Materials Overhead (Delivery, Handling, etc.) (_____% X Line 4)	\$ _____
Line 6.	Total Materials Cost	\$ _____
Line 7.	Total Equipment Costs	\$ _____
Line 8.	PART I TOTAL - Contractor's L, M & E Costs (Lines 3, 6 and 7)	\$ _____

PART II - WORK PERFORMED BY SUBCONTRACTOR

Line 9.	Direct Labor Costs	\$ _____
Line 10.	Labor Overhead (Payroll Taxes and Insurance) (_____% X Line 9)	\$ _____
Line 11.	Subcontractor's Profit (_____% X Line 9)	\$ _____
Line 12.	Total Subcontractor's Labor Cost (Lines 9, 10, and 11)	\$ _____
Line 13.	Direct Materials Cost	\$ _____
Line 14.	Materials Overhead (_____% X Line 13)	\$ _____
Line 15.	Subcontractor's Profit (_____% X Line 13)	\$ _____
Line 16.	Total Subcontractor's Materials Cost	\$ _____
Line 17.	Total Equipment Costs	\$ _____
Line 18.	PART II TOTAL - Subcontractor's L, M & E Costs (Lines 12, 16 and 17)	\$ _____

PART III - TOTAL CONTRACTOR'S PROFIT (_____% X Part I Total) \$ _____

PART IV - TOTAL CONTRACTOR'S MARKUP ON SUBCONTRACTOR (_____% X Part II Total) \$ _____

PART V - SUBTOTAL C.O. PROPOSAL (Parts I and II and III and IV) \$ _____

PART VI - CONTRACTOR'S BOND COST (_____% X Part V) \$ _____

PART VII - GRAND TOTAL CHANGE ORDER PROPOSAL (Sum of Totals: Parts V and VI) \$ _____

PART VIII - CONTRACT TIME COMPLETION DATE (IS) (IS NOT) EXTENDED _____ CALENDAR DAYS AS A RESULT OF THIS PROPOSAL.

CONTRACTOR'S CERTIFICATE:

This is to certify that, to the best of my knowledge and belief, the cost/price data submitted in response to the listed C.O. Bulletin, are accurate, complete and current as of _____ 19____.

ARCHITECT/ENGINEER'S CERTIFICATE:

This is to certify that I have analyzed the proposal and find, to the best of my knowledge and belief, that the proposal represents current, fair, factual and competitive cost/price data.

Firm: _____

Firm: _____

Name & Title: _____

Name & Title: _____

Signature: _____

Signature: _____

*Date: _____

Date: _____

*The proposal shall remain in full force and effect for a period of _____ calendar days from date of signature.

AUTHORITY FOR INSTITUTION OR AGENCY:

DIVISION OF PURCHASING
State Buildings and Real Estate Programs

_____ Date _____

_____ Date _____

**INSTRUCTIONS FOR COMPLETING "CHANGE ORDER PROPOSAL"
COST/PRICE DATA SUMMARY (STATE FORM SC-6.312)**

BULLETIN NUMBER/DATED: Insert C.O. Bulletin No. and Date Issued

LEFT HAND BOX: Fill in Contractor's Name; State Project Number and Title

RIGHT HAND BOX: Fill in Description of Changes from Bulletin, noting **exceptions** which are listed in the Bulletin but are excluded; i.e., not priced on this form.

PART I - WORK PERFORMED BY CONTRACTOR:

Line 1. Direct Labor Costs (Also Line 9, Part II): Fill in subtotal of direct labor costs which includes base rates plus applicable fringe benefits. On Contractor's (or sub's) letterhead show costs as follows:

Trade	Rate	X	Hours	=	Extended Costs
_____	\$ _____	X	_____	=	\$ _____
_____	\$ _____	X	_____	=	\$ _____
	Direct Labor Costs			=	\$ _____

Line 2. Labor Overhead (Payroll Taxes and Insurance) (Also Line 10, Part II): Fill in as a percentage of Line 1 (or line 10 of Part II as applicable).

Line 3. Total Labor Costs: Fill in Total of Lines 1 and 2.

Line 4. Direct Materials Cost (Also Line 13, Part II) (Supported by quotes or invoices) Fill in subtotal of direct materials costs. On letterhead show direct materials costs as follows:

Materials	Units	X	Unit Cost	=	Extended Cost
_____	\$ _____	X	_____	=	\$ _____
_____	\$ _____	X	_____	=	\$ _____
	Direct Materials Costs			=	\$ _____

Line 5. Materials Overhead (Also Line 14, Part II): Fill in as percentage cost of Line 4 (Also Line 13, Part II). Overhead costs include delivery, handling, insurance costs, etc.)

Line 6. Total Materials (Also line 16, Part II): Fill in total of lines 4 and 5 (Also lines 13, 14, and 15, Part II as applicable.)

Line 7. Total Equipment Costs (Also Line 17, Part II as applicable): Fill in total equipment costs including indirect overhead costs in hourly rate - except indirect labor costs. On letterhead show total equipment costs as follows:

Description	Rate	X	Hours	=	Extended Cost
_____	\$ _____	X	_____	=	\$ _____
_____	\$ _____	X	_____	=	\$ _____
	Total Equipment Cost			=	\$ _____

Line 8. Total Contractor's Labor, Materials & Equipment (LM & E) Costs (Also Line 18, Part II): Add Lines 3, 6 and 7 of Part I (Also lines 12, 16 and 17 of Part II as applicable).

PART II - WORK PERFORMED BY SUBCONTRACTOR:

Line 9. See Instructions under line 1.

Line 10. See Instructions under line 2.

Line 11. Subcontractor's Profit: Fill in as a percentage cost of Line 9.

Line 12. Total Subcontractor's Labor Cost: Fill in Total of Lines 9, 10 and 11.

Line 13. See Instructions under line 4.

Line 14. See Instructions under line 5.

Line 15. Subcontractor's Profit: Fill in as a percentage cost of Line 13.

Line 16. See Instructions under line 6.

Line 17. See Instructions under line 7.

Line 18. Total Subcontractor's Labor, Materials and Equipment Costs: See Instructions under line 8.

PARTS III THROUGH VIII - Self-explanatory.

CERTIFICATIONS

- A. The Contractor, who prepares this proposal form, certifies the cost/price data by signing, dating, and forwarding same to the Architect/Engineer (or Consultant) for further action.
- B. The Architect/Engineer (or Consultant) reviews and analyzes the cost/price data for the requirements that these are: 1) currently prevalent, 2) reasonably fair, 3) factually applicable, and 4) equivalently competitive market selling prices. The Architect/Engineer (or Consultant) may negotiate--after receipt of the cost proposal--any or all of the cost elements of the proposal to support a recommendation of acceptance to the Principal Representative. Certification by the A/E (or Consultant) of the above requirements is made upon his signature. The Architect/Engineer (or Consultant) forwards the proposal with the supporting back-up to the Agency.
- C. Authority for the Institution or Agency (usually the Principal Representative) reviews the proposal, signs, dates, and forwards to State Buildings Programs for final action.

- D. State Buildings Programs reviews the cost proposal, with all supporting back-up, for technical and procedural requirements and, if in order, signs and dates the proposal.

**EMERGENCY FIELD CHANGE ORDERS
AS PER C.R.S. 24-30-1303(1)(S)(IV) AND (V)**

1. Emergency Field Change Orders should not be issued except in case of emergency, that is, a threat to life or property, or the likelihood that the delays in processing a normal change order will result in substantial delays and/or significant cost increases on the project.
2. The maximum amount for individual Emergency Field Change Orders may not exceed \$25,000, or 50% of the change order contingency, whichever is less. The cumulative ceiling may not exceed the amount identified on the project SC 4.1. The agency is not authorized to exceed by issuance of any change orders the amount specified on the SC 4.1. The individual and cumulative maximum amounts will be specified in the last sentence of the Emergency Field Change Order Supplementary General Condition. Any increase in the ceiling amount for field orders – above the \$25,000/\$100,000 amounts in the model clause – must be approved by the State Controller and the Director of State Buildings Programs.
3. State Buildings Programs will be furnished copies of all Emergency Field Change Orders and the final Change Order when the changed work is priced and final adjustments have been made to the contract price and schedule.
4. The amount of the cumulative ceiling will be encumbered at the time of contract execution. Change orders will be promptly executed and routed for approval to finalize any outstanding Emergency Field Change Orders. Change Order files will include a copy of the Emergency Field Change Order when Change Orders are routed for approval. Amounts not committed through issuance of Emergency Field Change Orders at the expiration of the funds availability period will be treated the same as other contingencies not committed prior to reversion of funds. Also, amounts not committed through issuance of Emergency Field Change Orders may be incorporated back into the change order contingency.
5. The following Special Supplementary General Condition clause must be included in the contract documents:

Special Supplementary General Condition

Emergency Field Change Orders. General Conditions, Article 15, is amended with the addition of the following paragraph:

Changes in the work within the scope of this Article may be directed through issuance of an Emergency Field Change Order by the Principal Representative (or a designee appointed in writing), and approved by the Director of State Buildings Program or his delegate. The change shall be directed using a State Change Order form, modified with the words “Emergency Field Change Order” at the top. If the amount of the adjustment of the contract price and time for completion can be determined at the time of issuance of the Emergency Field Change Order, those adjustments shall be reflected on the face of the Emergency Field Change Order. Otherwise, the Emergency Field Change Order shall reflect a NTE (not to exceed) amount for the schedule adjustment

and adjustment to contract value, which "not to exceed" amount shall represent the maximum amount of adjustment to which the contractor will be entitled, including direct and indirect costs of changed work, as well as any direct or indirect costs attributable to delays or inefficiencies arising out of the change. Emergency Field Change Orders directed in accordance with this provision need not bear the approval signatures of the State Controller. On Emergency Field Change Orders where the price and schedule have not been finally determined, the Contractor shall submit a proposal for adjustment within seven (7) days of issuance, except as otherwise permitted by the State. Final adjustment of contract amount and time for completion will be done using standard State Change Order procedures. Individual Emergency Field Change Orders shall not be issued for more than \$25,000, nor shall the cumulative value of Emergency Field Change Orders exceed an amount of \$100,000, without amendment of this contract.

END OF POLICY
SBP-EMG

FIELD

C.O.

THE GENERAL CONDITIONS OF THE CONTRACT

State Form SC-6.23
Issued--Sept. 1, 1965 (Rev. 12/95)



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STATE OF COLORADO

General Conditions of Contract

ARTICLE 1. DEFINITIONS

- A. CONTRACT DOCUMENTS.** The Contract Documents consist of:
- (a) Agreement;
 - (b) Performance and Payment Bonds;
 - (c) Builder’s Risk Insurance Policy;
 - (d) Liability and Workmen’s Compensation Certificates of Insurance;
 - (e) Notice to Proceed;
 - (f) General and Supplementary General Conditions of the Contract;
 - (g) Detailed Specification Requirements, including all addenda issued prior to the opening of the bids;
 - (h) Drawings, including all addenda issued prior to the opening of the bids;
 - (i) Notice of Acceptance;
 - (j) Notice of Contractor’s Settlement
- B. PROCEDURAL DOCUMENTS.** The Procedural Documents consist of:
- (a) Advertisement for Bids;
 - (b) Information for Bidders;
 - (c) Proposal;
 - (d) Bid Bond;
 - (e) Notice of Award

Note: Any changes or modifications of the printed state forms, including General Conditions of the Contract, shall not be deemed valid unless issued in the form of Supplementary General Conditions and approved by the Principal Representative and State Buildings Programs.

- C. WORDS AND TERMS USED.**
- (a) **PRINCIPAL REPRESENTATIVE.** The term “Principal Representative” as defined in Title 24, Article 37-104(2), CRS 1973, as amended, shall mean: “the governing board of a state department, institution, or agency; or if there is no governing board, then the executive head of a state department, institution, or agency, as designated by the

governor or the general assembly,” and as shall be specifically identified in the Contract Documents.

- (b) CONTRACTOR. The word “Contractor” shall mean the Person, Partnership or Corporation entering into a Contract with the State of Colorado acting by and through the Principal Representative.
- (c) SUBCONTRACTOR. The term “Subcontractor” shall mean a person, firm or corporation supplying labor and materials, or only labor, for work at the site of the project for, and under separate contract or agreement with, the Contractor.
- (d) ARCHITECT/ENGINEER. The term “Architect/Engineer” shall mean either the Principal Architect or the Principal Engineer under contract to the State of Colorado for the project identified in the Contract Documents.

ARTICLE 1. DEFINITIONS (continued)

- (e) STATE BUILDINGS PROGRAMS. The term “State Buildings Programs” shall mean a division of the executive department of State government responsible for review and coordination of plans, contractual procedures, construction, inspection and maintenance of all buildings, public works and improvements erected for state purposes; except public roads and highways and projects under the supervision of the division of wildlife and the division of parks and outdoor recreation.
- (f) AGREEMENT. The word “Agreement” shall be considered to be the written Agreement entered into by the State of Colorado acting by and through the Principal Representative and the Contractor for the performance of the work and payment therefor.
- (g) DRAWINGS. The term “Drawings” shall mean all drawings approved by appropriate State officials which have been prepared by the Architect/Engineer showing the work to be done.
- (h) SHOP DRAWINGS. The term “Shop Drawings” shall mean any and all detailed drawings prepared and submitted by vendors or manufacturers or manufacturers providing the products and equipment so specified on the contract drawings or so called for in the specifications.
- (i) COLORADO LABOR. The term “Colorado Labor” shall be defined as provided in Title 8-17-101, et seq., C.R.S. 1973, as amended.
- (j) WORK. The term “Work” shall mean labor or materials, or both.
- (k) NOTICE. The term “Notice” shall mean any communication in writing from either contracting party to the other by such means of delivery that receipt cannot properly be defined.

Article 2. EXECUTION, CORRELATION AND INTENT OF DOCUMENTS

The Contractor, within ten (10) days from the date of Notice of Award, will be required to:

- (a) Execute the Agreement;
- (b) Furnish fully executed Performance and Payment Bonds;
- (c) Furnish the requisite Insurance Policy and Certificates of Insurance.

The Contract Documents are complementary, and what is called for by any one document shall be as binding as if called for by all. The intention of the documents is to include all materials or

work described in words which so applied have a well-known technical or trade meaning shall be held to refer to such recognized standards.

It is intended that work shall not be supplied when said work is not shown under any heading, section, branch, class or trade of the Specifications; unless such work is shown on drawings or is reasonably inferable therefrom as being necessary to produce the intended results.

If there by conflicting variance between the drawings and the specifications, the requirements of the specifications shall control unless the Architect/Engineer directs otherwise in writing.

ARTICLE 3. DETAIL DRAWINGS AND INSTRUCTIONS

- A. DETAIL DRAWINGS.** The Architect/Engineer shall furnish with reasonable promptness, additional instructions, by means of drawings or otherwise, necessary for the proper execution of the work. All such drawings and instructions shall be consistent with the Contract Documents, true developments thereof, and reasonably inferable therefrom.

The work shall be executed in conformity therewith and the Contractor shall do no work without proper drawings and instructions.

The Contractor and the Architect/Engineer, if either so requests, shall jointly prepare a schedule, subject to change from time to time in accordance with the progress of the work, fixing the dates at which the various detail drawings will be required, and the Architect/Engineer shall furnish them in accordance with that schedule. Under like conditions, a schedule shall be prepared, fixing the dates for the submission of show drawings, for the beginning of manufacture and installation of materials and for the completion of the various parts of the work.

- B. INSTRUCTIONS--SCHEDULE OF VALUES.** Before filing application for his first payment, the Contractor, using forms supplied by the Principal Representative, shall submit to the Architect/Engineer an State Buildings Programs, for approval, a complete, itemized Schedule of Values of the various parts of the work, aggregating the total contract price. The total cost of each item shall be broken down into:

- (a) MATERIAL, which shall include the cost of material actually built into the project plus any local sales tax paid thereon; and
- (b) LABOR AND OTHER COSTS. The cost of subcontracts shall be incorporated in the Contractor's Schedule of Values similarly broken down. This schedule, when approved, will be used in preparing Contractor's Application for Payment on State Form SC-7.2.

- C. INSTRUCTIONS--PROGRESS CHARTS.** The Contractor shall submit to the Architect/Engineer, State Buildings Programs and the Principal Representative within twenty-one (21) calendar days after the date of the Notice to Proceed, on a form provided by State Buildings Programs, an overall timetable of the construction schedule for the project. This timetable shall start with the date of the Notice to Proceed, and the completion time shall be the time specified in the Agreement.

The timetable shall portray fully a schedule representing the various elements in the schedule of values. The time shown between the starting and completion dates of the various elements within the schedule of values shall represent one hundred per cent (100%) completion of each element.

In addition, the Contractor shall submit monthly progress charts. These charts shall reflect the schedule of values and the Contractor's "work in place" progress.

ARTICLE 4. COPIES FURNISHED

Unless otherwise provided in the Contract Documents, the Contractor will be furnished, free of charge, all copies of drawings and specifications reasonably necessary for the execution of the work.

ARTICLE 5. SHOP DRAWINGS

The Contractor shall check and verify all field measurements and shall approve and submit to the Architect/Engineer with such promptness as to cause no delay in his own work or in that of any other Contractor, four (4) copies of all shop or setting drawings and schedules required for the work of the various trades or by the technical sections of the specifications. All drawings shall contain identifying nomenclature and each submittal shall be accompanied with a letter of transmittal, in duplicate, identifying in detail all enclosures.

The Architect/Engineer shall, with reasonable promptness, check the shop drawings to determine whether drawings and specifications have been properly interpreted and design requirements fulfilled. All corrections to the drawings shall be clearly noted and returned to the Contractor for any corrections required by the Architect/Engineer. The Contractor shall then file with the Architect/Engineer two (2) complete sets of the corrected drawings and furnish such other copies as may be needed. Fabrication shall be started by the Contractor only after receiving approved shop drawings from the Architect/Engineer. Work which is improperly fabricated, whether through incorrect shop drawings, faulty workmanship or materials, will not be acceptable.

The approval of the Architect/Engineer of such drawings or schedules shall not relieve the Contractor from responsibility for deviations from drawings or specifications, unless he has in writing called the attention of the Architect/Engineer to such deviations at the time of submission, nor shall it relieve him from responsibility for errors of any sort in shop drawings or schedules.

ARTICLE 6. DRAWINGS AND SPECIFICATIONS ON THE WORK

The Contractor shall keep on the job site one copy of all drawings and specifications for the work, in good order, available to the Architect/Engineer and representatives of the State.

ARTICLE 7. OWNERSHIP OF DRAWINGS

Drawings or specifications, or copies of either, furnished by the Architect/Engineer, are not to be used on any other work. At the completion of the work, all drawings and specifications, except the signed sets of Contract Documents are to be returned to the Architect/Engineer, at his request.

ARTICLE 8. SAMPLES AND TESTING

- A. SAMPLES.** The Contractor shall furnish for approval, with such promptness as to cause no delay in his work or in that of any other Contractor, all samples as directed by the Architect/Engineer.

The Architect/Engineer shall check and approve such samples, with reasonable promptness, only for conformance with the design concept of the Project and for compliance with the information given in the Contract Documents.

- B. TESTING--GENERAL.** The Contractor shall provide such equipment and facilities as the Architect/Engineer may require for conducting field tests and for collecting and forwarding samples. The Contractor shall not use any materials or equipment represented by samples until tests, if required, have been made and the materials or equipment found to be acceptable.

Any product which becomes unfit for use after approval thereof shall not be incorporated into the work.

All materials or equipment proposed to be used may be tested at any time during their preparation or use. The Contractor shall furnish the required samples without charge and shall give sufficient notice of the placing of orders to permit the testing thereof. Products may be sampled either prior to shipment or after being received at the site of the work.

Tests shall be made by an accredited testing laboratory. Except as otherwise provided, sampling and testing of all materials and the laboratory methods and testing equipment shall be in accordance with the latest standards and tentative methods of the American Society of Testing Materials (A.S.T.M.).

- C. TESTING--CONCRETE.** Unless amended by a Supplementary General Condition, the testing of concrete shall be at the expense of the Contractor. One copy of each and every such test shall be filed with State Buildings Programs.

ARTICLE 9. MATERIALS, APPLIANCES, EMPLOYEES

Unless otherwise stipulated, the Contractor shall provide and pay for all materials, labor, water, tools, equipment, light, power, transportation and other facilities necessary for the execution and completion of the work.

Unless otherwise specified, all materials shall be new and both workmanship and materials shall be of good and uniform quality. The Contractor shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

The Contractor shall at all times enforce strict discipline and good order among his employees, and shall not employ on the work any unfit person or anyone not skilled in the work assigned to him.

ARTICLE 10. ROYALTIES AND PATENTS

The Contractor shall pay all royalties and license fees. He shall defend all suits or claims for infringement of any patent rights and shall save the State of Colorado harmless from loss on account thereof.

ARTICLE 11. SURVEYS, PERMITS, LAWS, TAXES AND REGULATIONS

- A. SURVEYS.** The Principal Representative shall furnish all surveys, property lines and bench marks unless otherwise specified.
- B. PERMITS AND LICENSES.** Permits and licenses necessary for the prosecution of the work shall be secured and paid for by the Contractor. Easements for permanent structures or permanent changes in existing facilities shall be secured and paid for by the Principal Representative, unless otherwise specified.
- C. TAXES**

- (a) **REFUND OF SALES AND USE TAXES.** The Contractor shall pay all local sales tax required to be paid, shall maintain such records in respect to his work, which shall be separate and distinct from all other records maintained by the Contractor. The Contractor shall furnish such data as may be necessary to enable the State of Colorado, acting by and through the Principal Representative, to obtain any refunds of such taxes which may be available under the laws, ordinances, rules or regulations applicable to such taxes.

The Contractor shall require each of his subcontractors to pay all local sales taxes required to be paid and to maintain such records and furnish the Contractor with such data as may be necessary to obtain refunds of the taxes paid by such subcontractors.

No State Sales and Use Taxes are to be paid on material to be used in this project. On application by the purchaser or seller, the Department of Revenue shall issue to a contractor or subcontractor, a certificate or certificates of exemption per Title 39-26-114 and 203, CRS 1973.

- (b) **FEDERAL TAXES.** The Contractor shall exclude the amount of any applicable Federal excise or manufacturers' taxes from his proposal. The Principal Representative will furnish the Contractor, on his request, the necessary exemption certificates to aid the Contractor in the recovery of any such Federal taxes paid by the Contractor for materials and equipment built into the structures of this project, or to support the Contractor's failure to pay such taxes, as the case may be

- D. LAWS AND REGULATIONS.** The Contractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the work as drawn and specified. If the Contractor observes that the Drawings and Specifications are at variance therewith, he shall promptly notify the Architect/Engineer in writing and any necessary changes shall be adjusted as provided in the Contract for changes in the work.

If the Contractor performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to the Architect/Engineer, he shall bear all costs arising therefrom.

ARTICLE 12. PROTECTION OF WORK AND PROPERTY

The Contractor shall continuously maintain adequate protection of all his work and materials, protect the property from injury or loss arising in connection with the Contract and adequately protect adjacent property as provided by law and the Contract Documents.

The Contractor shall make good any damage, injury or loss, except as may be:

- (a) Directly due to errors in the Contract Documents;
- (b) Caused by agents or employees of the Principal Representative;
- (c) Due to causes beyond the Contractor's control and not to his fault or negligence.

The Contractor shall take all necessary precautions for the safety of employees on the work, and shall comply with all applicable provisions of Federal, State and Municipal safety laws and building codes to prevent accidents or injury to persons on, about or adjacent to the premises where the work is being performed. He shall erect and properly maintain at all times, as required by the conditions and progress of the work, all necessary safeguards for the protection of workmen and the public and shall post danger signs warning against the hazards created by such features of construction as protruding nails, hoists, well holes, elevator hatchways, scaffolding, window openings, stairways and falling materials; and he shall designate a responsible member of his organization on the work, whose duty shall be the prevention of accidents. The name and position of any person so designated shall be reported to the Architect/Engineer by the Contractor.

The Contractor shall provide all necessary bracing, shoring and tying of all structures, decks and framing to prevent any structural failure of any material which could result in damage to property or the injury or death of persons; take all precautions to insure that no part of any structure of any description is loaded beyond its carrying capacity with anything that will endanger its safety at any time during the execution of this Contract; and provide for the adequacy and safety of all scaffolding and hoisting equipment. The Contractor shall not permit open fires within the building enclosure. The Contractor shall construct and maintain all necessary temporary drainage and do all pumping necessary to keep excavations and floors, pits and trenches free of water.

The Contractor shall take due precautions when obstructing sidewalks, streets or other public ways in any manner, and shall provide, erect and maintain barricades, temporary walkways, roadways, trench covers, colored lights or danger signals and any other devices necessary to assure the safe passage of pedestrians and automobiles.

In an emergency affecting the safety of life or of the work or of adjoining property, the Contractor without special instruction or authorization from the Architect/Engineer or Principal Representative, is hereby permitted to act, at his discretion, to prevent such threatened loss or injury; and he shall so act, without appeal, if so authorized or instructed. Any compensation, claimed by the Contractor on account of emergency work, shall be determined by agreement for extra compensation.

ARTICLE 13. ACCESS TO WORK AND INSPECTION

The Architect/Engineer, the Principal Representative and representatives of State Buildings Programs shall at all times have access to the work. The Contractor shall provide proper facilities for such access and for their inspection of the work.

The Architect/Engineer is, in the first instance, the judge of the performance of the Contract as it relates to compliance with drawings and specifications, quality of workmanship and material.

The Architect/Engineer under the terms of his Agreement with the State of Colorado has agreed that he, his structural, mechanical and electrical engineers will make, and the Contractor has the right to expect, periodic visits to the site to generally monitor the progress and quality of the work to determine in general if the work is proceeding in accordance with the Contract Documents. Observation may extend to all or any part of the work and to the preparation, fabrication or manufacture of materials.

Specifically, the Architect/Engineer has agreed to monitor for contract compliance the following:

- (a) Shop drawings;
- (b) Bearing surfaces of excavations before concrete is poured;
- (c) Reinforcing steel after installation and before concrete is poured;
- (d) Structural concrete;
- (e) Laboratory reports on all concrete;
- (f) Structural steel during and after erection and prior to its being covered or enclosed;
- (g) Mechanical work following its installation and prior to its being covered or enclosed;
- (h) Electrical work following its installation and prior to its being covered or enclosed;

If any work should be covered up without approval or consent of the Architect/Engineer, it must, if required, be uncovered for examination, at the Contractor's expense. Re-examination of questioned work may be ordered, and if so ordered, the work must be uncovered by the Contractor. If such work be found in accordance with the Contract Documents, the Contractor shall be reimbursed the cost of re-examination and replacement. If such work be found not in accordance with the Contract Documents, the Contractor shall pay such costs, unless he shall show that the defect in the work was caused by another Contractor engaged by the Principal Representative. In that event, the Principal Representative shall pay such cost, with the right to reimbursement from such other Contractor.

If the Specifications, the Architect/Engineer's instructions, laws, ordinances or any public authority require any work to be specifically tested or approved, the Contractor shall give the Architect/Engineer timely notice of its readiness for observation by the Architect/Engineer or inspection by another authority, and if the inspection is by another authority, of the date fixed for such inspection, required certificates of inspection being secure by the Contractor.

ARTICLE 14. CONTRACTOR'S SUPERINTENDENCE AND SUPERVISION

The Contractor shall keep on the work, during its progress, a competent superintendent and any necessary assistants, all satisfactory to the Architect/Engineer. The superintendent shall not be changed except with the consent of the Architect/Engineer. The superintendent shall not be changed except with the consent of the Architect/Engineer, unless, the superintendent proves to be unsatisfactory to the Contractor and ceases to be in his employ. The superintendent shall represent the Contractor in his absence and all directions given to h shall be as binding as if given to the Contractor. Directions shall be confirmed in writing to the Contractor.

The Contractor shall be given efficient supervision to the work, using his best skill and attention. He shall carefully study and compare all Drawings, Specifications and other instructions and shall at once report to the Architect/Engineer any error, inconsistency or omission which he may discover, but he shall not be liable to the Principal Representative for any damage resulting from any errors or deficiencies in the Contract Documents or other instructions by the Architect/Engineer.

The superintendent shall see that the work is carried out in accordance with the Contract Documents and in a thorough and first-class manner in every respect. The Contractor's superintendent shall establish all lines, levels, and marks necessary to facilitate the operations of all concerned in such Contractor's work. He shall layout the work in a manner satisfactory to the Architect/Engineer, making permanent records of all lines and levels required for excavation, grading, foundations, and for all other parts of the work.

ARTICLE 15. CHANGES IN THE WORK

The Principal Representative, without invalidating the Contract, and with the approval of State Buildings Programs and the State Controller, may order extra work or make changes by altering, adding to or deducting from the work, the contract sum being adjusted accordingly. All such work shall be executed under the conditions of the original Contract except that **any claim for extension of time caused thereby** shall be adjusted by change order at the time of ordering such change.

The Architect/Engineer shall have authority to make minor changes in the work, not involving extra cost, and not inconsistent with the purpose of the work, but otherwise, except in an emergency endangering life or property, no extra work or change in the Contract Documents shall be made unless by a written change order, approved by the Principal Representative, State Buildings Programs, and the State Controller. No claim for any change to the Contract sum shall be valid unless so ordered.

The value of any extra work or change shall be determined in one or more of the following ways:

- (a) By estimate and acceptance in a lump-sum;
- (b) By unit prices named in the Contract or subsequently agreed upon;
- (c) By actual cost plus a fixed fee, or percentage, the latter agreed upon prior to starting the extra or changed work.

Changed work shall be adjusted and considered separately for the work either added or omitted. The amount of adjustment for work omitted shall be estimated at the time it is authorized, and the agreed adjustment will be deducted from the subsequent monthly estimates.

The Contractor shall keep and present a correct account of the several items of cost, together with vouchers, on State Change Order Form SC-6.31. This requirement applies equally to work done by subcontractors.

The Principal Representative reserves the right to contract with any person or firm other than the Contractor for any or all extra work.

ARTICLE 16. CLAIMS FOR EXTRA COST

If the Contractor claims that any instructions, by drawings, or otherwise, involve extra cost under this Contract, he shall give the Architect/Engineer and the Principal Representative written Notice thereof within a reasonable time after the receipt of such instructions. In any event, before proceeding to execute the work, except in an emergency endangering life or property, the procedure shall be as provided for under Change in the Work. No such claim shall be valid unless so made.

In all such cases, the Contractor shall keep a correct account of the extra cost, in such form as the Architect/Engineer may direct, and shall present such account, supported by receipts. The Principal Representative shall be entitled to reject any claim for extra cost whenever the foregoing procedure is not followed.

The payments to the Contractor in respect of such extra costs shall be limited to reimbursement for the current additional expenditure by the Contractor made necessary by the change in the work, plus a reasonable amount for overhead and profit, determined solely with reference to the additional work, if any, required by the change, at or prior to the time of making the change.

ARTICLE 17. DIFFERING SITE CONDITIONS

- (a) The Contractor shall promptly, and before such conditions are disturbed, notify the Principal Representative in writing of:
 - (1) subsurface or latent physical conditions at the site differing materially from those indicated in this Contract, or
 - (2) unknown physical conditions at the site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Contract. The Principal Representative shall promptly investigate the conditions, and if he finds that such conditions do materially so differ and cause an increase or decrease in the Contractor's costs of, or the time required for, performance of any part of the work under this Contract, whether or not changed as a result of such conditions, an equitable adjustment shall be made and the Contract modified in writing accordingly.
- (b) No claim of the Contractor under this clause shall be allowed unless the Contractor has given the notice required in (a) above; provided, however, the time prescribed therefore may be extended by the State.
- (c) No claim by the Contractor for an equitable adjustment hereunder shall be allowed if asserted after final payment under this Contract.

ARTICLE 18. DEDUCTIONS FOR UNCORRECTED WORK

If the Architect/Engineer, and the Principal Representative deem it inexpedient to correct work injured or not performed in accordance with the Contract, an equitable deduction from the Contract price may be authorized by change order.

ARTICLE 19. DELAYS AND EXTENSIONS OF TIME

If the Contractor be delayed at any time in the progress of the work by any act or neglect of the State of Colorado or the Architect/Engineer, or of any employee of either, or by any separately employed Contractor, or by changes ordered in the work, or by strikes, lockouts, fire, unusual delay in transportation, unavoidable casualties or any other causes beyond the Contractor's control, the time of completion of the work shall be extended for a period equal to such portion of

the period of delays as the Contractor shall be able to show he could not have avoided by the exercise of due diligence.

The Contractor shall advise, in writing, the Architect/Engineer and the Principal Representative within three (3) days from the beginning of the delay and shall file a written claim for an extension of time within seven (7) days after the period of delay has ceased.

If no schedule is prepared fixing the dates on which the various detail drawings and instructions will be needed, no extension of time will be allowed for failure to furnish such drawings or instructions as needed, except in respect of that part of any delay in furnishing drawings or instructions extending beyond a period of two (2) weeks after written demand for such drawings or instructions is received by the Architect/Engineer. In any event, any claim for an extension of time for such cause will be recognized only to the extent of the delay directly caused by failure to furnish drawings or instructions pursuant to schedule, or such two (2) weeks' demand.

This article does not preclude the recovery of damages for delay by other party under other provisions in the Contract Documents.

ARTICLE 20. CORRECTION OF WORK BEFORE ACCEPTANCE

The Contractor shall promptly remove from the premises all materials condemned by written Notice from the Architect/Engineer or the Principal Representative as failing to conform to the Contract Documents, whether incorporated in the work or not. If such materials shall have been incorporated in the work, or if any unsatisfactory work is discovered, the Contractor shall promptly replace and re-execute his work in accordance with the Contract without expense to the Principal Representative, and shall also bear the expense of making good all work or other contractors destroyed or damaged by the removal or replacement of such defective material or work.

If the Contractor does not remove such condemned work or material within a reasonable time, the Principal Representative may remove them and may store the material at the Contractor's expense. If the Contractor does not pay the expense of such removal and withdraw the stored materials and pay all storage charges within ten (10) days thereafter, the Principal Representative may, upon ten (10) days' written notice, sell such material at auction or at private sale and account for the net proceeds thereof, after deducting all costs and expenses which should have been borne by the Contractor.

Should any defective work or material be discovered, during the process of construction, or should reasonable doubt arise as to whether certain material or work is in accordance with the Contract Documents, the value of such defective or questions material or work shall not be included in any Application for Payment, or if previously included, shall be deducted by the Architect/Engineer from the next application submitted by the Contractor.

ARTICLE 21. CORRECTION OF WORK AFTER ACCEPTANCE

Neither the final certificate for payment nor any provision in the Contract Documents shall relieve the Contractor of responsibility for faulty materials or workmanship, and, unless otherwise specified, he shall remedy any defects due thereto and pay for any damage to other work resulting therefrom, which shall appear within a period of one year from the date of Notice of Acceptance. The Principal Representative shall give notice of observed defects with reasonable promptness. Such notice shall be in writing to the Architect/Engineer and the Principal Representative.

ARTICLE 22. STATE'S RIGHT TO DO THE WORK; TEMPORARY SUSPENSION OF WORK; DELAY DAMAGES

- A. **STATE'S RIGHT TO DO THE WORK.** If the Contractor should neglect to prosecute the work properly or fail to perform any provision of the Contract, the Principal Representative, after seven (7) days' written Notice to the Contractor and the Surety may, without prejudice to any other remedy he may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due the Contractor, provided, however, that the Architect/Engineer shall approve the amount charged to the Contractor.
- B. **TEMPORARY SUSPENSION OF WORK.** The State, acting by and through the Architect/Engineer, shall have the authority to suspend the work, either wholly or in part, for such period or periods as he or they may deem necessary due to:
 - (a) Unsuitable weather;
 - (b) Faulty workmanship;
 - (c) Improper superintendence;
 - (d) Contractor's failure to carry out order or to perform any provision of the Contract Documents;
 - (e) Conditions which may be considered unfavorable for the prosecution of the work.

If it should become necessary to stop work for an indefinite period, the Contractor shall store materials in such manner that they will not become an obstruction or become damaged in any way; and he shall take every precaution to prevent damage to or deterioration of the work, provide suitable drainage and erect temporary structures, where necessary.

Such Notice of Suspension of work shall be in writing and the Contractor shall again proceed with the work when so notified in writing.
- C. **DELAY DAMAGES.** The Principal Representative and the State of Colorado shall not be liable to the Contractor for the payment of any claim for extra costs, extra compensation or damages occasioned by hindrances or delays encountered in the work when such hindrance or delay is caused by the architect or other contractor. The Principal Representative and the State of Colorado shall be liable to the Contractor for the payment of such a claim only when the hindrance or delay is caused by the negligent or wrongful act of the Principal Representative or State of Colorado. In such event, the Contractor must submit its claim for extra costs within seven (7) days after the occurrence of the event giving rise thereto, or such claim is waived.

ARTICLE 23. STATE'S RIGHTS TO TERMINATE CONTRACT

- A. **GENERAL.** If the Contractor should be adjudged a bankrupt, or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed to take over his affairs, or if he should fail to prosecute his work with due diligence and carry the work forward in accordance with his work schedule and the time limits set forth in the Contract Documents, or if he should fail to subsequently perform one or more of the provisions of the Contract Documents to be performed by him, the Principal Representative may serve Written Notice on the Contractor and the Surety on his performance and payment bonds, stating his intention to exercise one of the remedies hereinafter set forth and the grounds upon which the Principal Representative bases his right to exercise such remedy. In such event, unless the matter complained of is satisfactorily cleared within ten (10) days after service of such Notice, the Principal Representative may, without prejudice to any other right or remedy, exercise one of such remedies, at once, having first obtained a certificate from the Architect/Engineer that sufficient cause exist to justify such action.
- B. **CONDITIONS AND PROCEDURES**

- (a) The Principal Representative may terminate the services of the Contractor, which termination shall take effect immediately upon service of notice thereof on the Contractor and his Surety, whereupon the Surety shall have the right to take over and perform the Contract. If the Surety, does not commence performance of the Contract within ten (10) days after service of the notice of termination, the Principal Representative may take over the work, take possession of and use all materials, tools, equipment and appliances on the premises and prosecute the work to completion by such means as he shall deem best. In the event of such termination of his service, the Contractor shall not be entitled to any further payment under his contract until the work is completed and accepted. If the Principal Representative takes over the work and if the unpaid balance of the contract price exceeds the cost of completing the work, including compensation for any damages or expenses incurred by the Principal Representative through the default of the Contractor, such excess shall be paid to the Contractor. If, however, the cost, expenses and damages as certified by the Architect/Engineer exceed such unpaid balance of the contract price, the Contractor and his Surety shall pay the difference to the Principal Representative.
- (b) The Principal Representative may take control of the work and either make good the deficiencies of the Contractor or direct the activities of the Contractor in doing so, employing such additional help as the Principal Representative deems advisable. In such event, the Principal Representative shall be entitled to collect from the Contractor and his Surety, or to deduct from any payment then or thereafter due the Contractor, the costs incurred in having such deficiencies made good and any damages or expenses incurred through the default of Contractor, provided the Architect/Engineer approves the amount thus charged to the Contractor.
- (c) The Principal Representative may require he Surety on the Contractor's bond to take control of the work at once and see to it that all the deficiencies of the Contractor are made good, with de diligence. As between the Principal Representative and the Surety, the cost of making good such deficiencies shall all be borne by the Surety. If the Surety takes over the work, either upon termination of the services of the Contractor or upon instructions from the Principal Representative to do so, the provisions of the Contract Documents shall govern in respect of the work done by the Surety, the Surety being substituted for the Contractor as to such provisions, including provisions as to payment for the work and provisions of this Article as to the right of the Principal Representative to do the work or to take control of the work.

ARTICLE 24. TERMINATION FOR CONVENIENCE OF STATE

- (a) The performance of work under this Contract may be terminated, in whole or from time to time in part, by the State whenever for any reason the Principal Representative shall determine that such termination is in the best interest of State. Termination of work hereunder shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance of work under the Contract is terminated and the date upon which such termination becomes effective.
- (b) After receipt of the Notice of Termination, the Contractor shall cancel his outstanding commitments hereunder covering the procurement of materials, supplies, equipment and miscellaneous items. In addition, the Contractor shall exercise all reasonable diligence to accomplish the cancellation or diversion of his outstanding commitments covering personal performance of any work terminated by the Notice. With respect to such canceled commitments, the Contractor agrees to:

- (1) settle all outstanding liabilities and all claims arising out of such cancellation of commitments, with approval or ratification of the Principal Representative, to the extent he may require, which approval or ratification shall be final for all purposes of this clause, and
 - (2) assign to the State, in the manner, at the time, and to the extent directed by the Principal Representative, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the State shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- (c) The Contractor shall submit his termination claim to the Principal Representative promptly after receipt of a Notice of Termination, but in no event later than one year from the effective date thereof, unless one or more extensions in writing are granted by the Principal Representative upon written request of the Contractor within such one year period or authorized extension thereof. Upon failure of the Contractor to submit his termination claim within the time allowed, the Principal Representative may determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.
- (d) Costs claimed, agreed to, or determined pursuant to (c) above and (e) below shall be in accordance with the provisions of CHAPTER 7 (COST PRINCIPLES) of the Colorado Procurement Rules as in effect on the date of this Contract.
- (e) Subject to the provisions of paragraph (c) above, the Contractor and the Principal Representative may agree upon the whole or any part of the amount or amounts to be paid to the Contractor by reason of the termination under this clause, which amount or amounts may include any reasonable cancellation charges thereby incurred by the Contractor and any reasonable loss upon outstanding commitments for personal services which he is unable to cancel; provided, however, that in connection with any outstanding commitments for personal services which the Contractor is unable to cancel, the Contractor shall have exercised reasonable diligence to divert such commitments to his other activities and operations. Any such agreement shall be embodied in an amendment to this Contract and the Contractor shall be paid the agreed amount.
- (f) The State may from time to time, under such terms and conditions as it may prescribe, make partial payments against costs incurred by the Contractor in connection with the termination portion of this Contract, whenever, in the opinion of the Principal Representative, the aggregate of such payments is within the amount to which the Contractor will be entitled hereunder.
- (g) The Contractor agrees to transfer title and deliver to the State, in the manner, at the time, and to the extent, if any, direct by the Principal Representative, such information and items which, if the Contract had been completed, would have been required to be furnished to the State, including:
- (1) completed or partially completed plans, drawings and information; and
 - (2) materials or equipment produced or in process or acquired in connection with the performance of the work terminated by the Notice.
- Other than the above, any termination inventory resulting from the termination of the Contract may, with written approval of the Principal Representative, be sold or acquired by the Contractor under the conditions prescribed by and at a price or prices approved by the Principal Representative. The proceeds of any such

disposition shall be applied in reduction of any payments to be made by the State to the Contractor under this Contract or shall otherwise be credited to the price or cost of work covered by this Contract or paid in such other manners as the Principal Representative may direct. Pending final disposition of property arising from the termination, the Contractor agrees to take such action as may be necessary, or as the Principal Representative may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Contractor and in which the State has or may acquire an interest.

- (h) Any disputes as to questions of fact which may arise hereunder shall be subject to the provisions of ARTICLE 109 (REMEDIES) of the Colorado Procurement Code.

ARTICLE 25. CONTRACTOR'S RIGHT TO STOP WORK OR TERMINATE CONTRACT

If the work shall be stopped under an order of any court or other public authority for a period of three (3) months through not act or fault of the Contractor or of any one employed by him, then the Contractor may on seven (7) days' written Notice to the Principal Representative and the Architect/Engineer stop work or terminate this Contract and recover from the Principal Representative payment for all work executed, any losses sustained on any plant or material, and a reasonable profit. If the Architect/Engineer shall fail to issue any certificate for payment within ten (10) days after it is due, or if the Principal Representative shall fail to pay the Contractor within fifteen (15) days after its maturity and presentation any sum certified by the Architect/Engineer, then the Contractor may on seven (7) days' written Notice to the Principal Representative and the Architect/Engineer stop work and given written Notice of intention to terminate this Contract. If the Principal Representative shall thereafter fail to pay the Contractor within seven (7) days after receipt of such Notice, then the Contractor may terminate the Contract and recover from the Principal Representative payment for all work executed, any losses sustained upon any plant or materials, and a reasonable profit.

ARTICLE 26. APPLICATIONS FOR PAYMENTS

At least ten (10) days before each payment falls due, the Contractor shall submit to the Architect/Engineer, on State forms, an itemized application for payment, supported to the extent required by the Architect/Engineer by receipts or other vouchers, showing payments for materials and labor, payments to subcontractors and such other evidence of the Contractor's right to payments at the Architect/Engineer may direct.

If payments are made on account of materials not incorporated in the work but delivered and suitably stored at the site, or at some other location agreed upon in writing, such payments shall be conditioned upon submission by the Contractor of bills of sale or such other procedure as will establish the Principal Representative's title to such material or otherwise adequately protect the Principal Representative's interests, including applicable insurance. All estimates, except the final estimate, and the payments thereunder, shall be subject to correction in the next estimate rendered following the discovery of any error.

Unless otherwise provided in the Supplementary General Conditions, an amount equivalent to ten percent (10%) of the amount shown to be due the Contractor on each estimate shall be withheld until fifty percent (50%) of the work required by the Contract has been performed. Thereafter, the remaining estimates shall be paid without retaining additional funds, in the opinion of the Architect/Engineer and the Principal Representative, satisfactory progress is being made in the work. The withheld percentage of the contract price of any such work, improvement, or construction shall be administered according to Title 24-91-101 through 110, CRS, and shall be retained until the Contract is completed satisfactorily and finally accepted.

ARTICLE 27. CERTIFICATES FOR PAYMENTS

State Form SC-7.2 shall be used as a Certificate of Contractor's Application for Payment.

ARTICLE 28. PAYMENTS WITHHELD

The Architect/Engineer, the Principal Representative or State Buildings Programs may withhold or, on account of subsequently discovered evidence, nullify the whole or any part of any estimate on account of:

- (a) Defective work not remedied;
- (b) Claims filed or reasonable evidence indicating probable filing of claims;
- (c) Failure of the Contractor to make payments to subcontractors or for material or labor;
- (d) A reasonable doubt that the Contract can be completed for the balance of the contract price then unpaid;
- (e) Damage to another Contractor;
- (f) Failure to obtain necessary permits or licenses or to comply with applicable laws, ordinances, codes, rules or regulations;
- (g) Failure to submit a monthly progress chart;
- (h) Failure of the Contractor to keep his work progressing in accordance with his time schedule;
- (i) Failure to keep a superintendent on the work;
- (j) Unauthorized deviations by the Contractor from the Contract Documents.

When the grounds for such withholding or nullifying are removed, payment shall be made for the amounts thus withheld on such grounds.

ARTICLE 29. LIABILITY INSURANCE

The Contractor shall procure and maintain Comprehensive General Public Liability and Property Damage Insurance as hereinafter specified, at his own expense, during the life of this Contract. This insurance shall include a provision preventing cancellation without sixty (60) days' prior Notice by certified mail. A completed Certificate of Insurance, State Form SC-6.222, shall be filed with State Buildings Programs within ten (10) days after the date of the Notice of Award.

This insurance must protect the Contractor from all claims for bodily injury, including death, and all claims for destruction of or damage to property, arising out of or in connection with any operations under his Contract, whether such operations be by himself or by any subcontractor under him or anyone directly or indirectly employed by the Contractor or by a subcontractor under him.

Using the Limits of Liability set forth on the Certificate of Insurance, State Form SC-6.222, and included in the Contract Documents, all such insurance shall be written with a limit of liability not less than the amount shown for all damages arising out of bodily injury, including death, at any time resulting therefrom, sustained by any one person in any one occurrence; a limit of liability not less than the amount shown for any such damages sustained by two or more persons in any one occurrence; a limit of liability not less than the amount shown for all damages arising out of injury or destruction of property in any one occurrence. All such insurance shall be written on a Comprehensive Form of Policy.

In the event any of the hazards shall be written or exposures, normally listed in standard policies as "Exclusions", are involved or required under this Contract, then such hazards or exposures shall be covered and protection afforded under the policy and such exclusions (x), (c) and (u), **as excerpted from standard policies**, must be removed from the policy as listed below:

- “(x) Injury to or destruction of any property arising out of blasting or explosion, other than the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment;”
- “(c) The collapse or structural injury to any building or structure due to:
- (1) grading of land, excavating, burrowing, filling, backfilling, tunneling, pile driving, cofferdam work or caisson work; or
 - (2) moving, shoring, underpinning, raising or demolition or any building or structure, or removal or rebuilding of any structural support thereof;”
- “(u) (1) Injury to or destruction of wires, conduits, pipes, mains, sewers or otherwise similar property, or any apparatus in connection therewith, below the surface of the ground, if such injury or destruction is caused by and occurs during the use of mechanical equipment for the purpose of grading of land, paving, excavating or drilling; or
- (2) Injury to or destruction of property at any time resulting therefrom.”

ARTICLE 30. WORKMEN’S COMPENSATION INSURANCE

The Contractor shall procure and maintain Workmen’s Compensation Insurance at his own expense during the life of this Contract, including occupational disease provisions for all of his employees. This insurance, if issued by a private carrier, shall contain the same sixty (60) days’ Notice of Cancellation as required in Article 29 for the Comprehensive Liability Insurance.

Evidence of such insurance shall be by the issuance of either a Certificate by the State Compensation Insurance Fund or, if issued by a private carrier, the completion of Certificate of Insurance, State Form SC-6.222, and such Certificate shall be filed with the State Buildings Division. The Certificate shall be filed within ten (10) days after the dated f the Notice o f Award.

The Contractor shall also require each subcontractor to furnish to him Workman's Compensation Insurance, including occupational disease provisions for all of the latter's employees, otherwise he accepts full liability and responsibility for subcontractor's employees.

In cases where any class of employees engaged in hazardous work under this Contract at the site of the project is not protected under Workmen's Compensation statute, the Contractor shall provide, and shall cause each subcontractor to provide adequate and suitable insurance for the protection of his employees not otherwise protected.

ARTICLE 31. BUILDER’S RISK INSURANCE

The Contractor shall effect and maintain, at his own expense, during the life of this Contract, Builder’s Risk Completed Value fire insurance in the dollar amount of the total project for which the work of this Contract is to be done, insuring against loss or damage caused by fire, malicious mischief, vandalism and the hazards insured against in the standard extended coverage provisions used in the State of Colorado.

Such Builder’s Risk Policy shall contain a “Waiver of Subrogation” by the insurer as regards the State of Colorado, its officials, its officers, its agents and its employees, all while acting within the scope and course of their employment. Such policy may have a deductible clause by not to exceed one thousand dollars (\$1,000).

Such Insurance Policy shall be filed with State Buildings Programs within ten (10) days after day of Notice of Award. The Insurance shall include a provision preventing cancellation without sixty (60) days’ prior Notice in writing by certified mail.

The Insurance shall remain in effect until the Date of Notice specified on the Notice of Acceptance, State Form SC-6.27, whether or not the building or some part thereof is occupied in any manner prior to final acceptance of the project. Such Insurance shall be in an amount equal to the aggregate total insurable value of the construction contract entered into with permissible deductions of the cost of excavations, foundations below the lowest basement floor, underground

construction, underground pipes, underground wiring, sidewalks, driveways, curbs and gutters, street improvements and fences. Upon request, the amount of such fire insurance shall be increased to include the cost of any additional work to be done on the project, or materials or equipment to be incorporated in the project, under other independent contracts let or to be let. In such event, the Contractor shall be reimbursed for this cost as his share of the insurance in the same ratio of the insurance represented by such independent contracts let or to be let to the total insurance carried.

All such insurance shall insure the State of Colorado acting by and through its Principal Representative, the Contractor and his subcontractors as their interests may appear, but the loss, if any, shall be payable to the State Controller, as Trustee.

The Principal Representative, with approval of the State Controller, shall have the power to adjust and settle any loss.

Unless it is agreed otherwise, all monies received shall be applied on rebuilding or repairing the destroyed or injured work.

ARTICLE 32. CONTRACTOR'S PERFORMANCE AND PAYMENT BONDS

The Contractor shall furnish a Performance Bond and a Labor and Material Payment Bond on approved State forms, executed by a corporate Surety licensed to transact such business in the State of Colorado and in full amount of the contract price. The expense of these bonds shall be borne by the Contractor and the bonds filed with State Buildings Programs.

If, at any time, a Surety on such a bond becomes Irresponsible or loses his right to do business in the State of Colorado, another Surety will be required, which the Contractor shall furnish to State Buildings Programs within ten (10) days after receipt of Notice.

ARTICLE 33. DAMAGES

If either party to this Contract shall suffer damage In any manner because of any wrongful act or neglect of the other party or of anyone employed by him, then he shall be reimbursed by the other party for such damage, provided, the Principal Representative shall be responsible for and at his option insure against loss of use of any of his existing property, due to fire or otherwise, however caused.

Claims under this clause shall be made in writing to the party liable within a reasonable time of the first observance of such damage and not later than the time of final payment, except as expressly stipulated otherwise In the case of faulty work or materials.

ARTICLE 34. LIENS

Colorado Statutes do not provide for any right of lien against public buildings. In lieu thereof, Title 3826-107, Colorado Revised Statutes, as amended, provides adequate relief for any claimant having furnished labor, materials, rental machinery, tools, equipment, or services toward construction of the particular public work In that final payment may not be made to a Contractor until all such creditors have been put on notice by publication in the public press of such pending payment and given opportunity to stop payment to the Contractor in the amount of such claims.

ARTICLE 35. ASSIGNMENT

The Contractor shall not assign the whole or any part of this Contract as any moneys due or to become due hereunder without the written consent of the State Controller and Principal Representative. No assignment without said prior approval shall be valid. In case the Contractor assigns all or part of any moneys due or to become due under this Contract, the instrument of assignment shall contain a clause substantially to the effect that It is agreed that the right of the

assignee in and to any moneys due or to become due to the Contractor shall be subject to all claims of all persons, firms, and corporations for services rendered or materials supplied for the performance of the work called for in this Contract, whether said service or materials were supplied prior to, or after the assignment.

ARTICLE 36. MUTUAL RESPONSIBILITY OF CONTRACTORS

Should the Contractor cause damage to any separate contractor on the work, the Contractor agrees, upon due notice, to settle with such contractor by agreement, if he will so settle. If such separate contractor sues the Principal Representative on account of any damage alleged to have been so sustained, the Principal Representative shall notify the Contractor, who shall defend such proceedings. If any judgment against the Principal Representative arises therefrom, the Contractor shall pay or satisfy it and pay all costs incurred by the Principal Representative.

ARTICLE 37. SEPARATE CONTRACTS

The Principal Representative reserves the right to let other contracts in connection with this work. The Contractor shall afford other contractors reasonable opportunity for the introduction and storage of their materials and the execution of their work, and shall properly connect and coordinate his work with theirs.

If any part of the Contractor's work depends, for proper execution or results, upon the work of any other contractor, the Contractor shall inspect and promptly report to the Architect/Engineer any defects in such work that render it unsuitable for such proper execution and results. Failure of the Contractor to so inspect and report shall constitute an acceptance of the other contractor's work as fit and proper for the reception of his work, except as to defects which may develop in the other contractor's work after the execution of his work.

To insure the proper execution of his subsequent work, the Contractor shall measure work already in place and shall at once report to the Architect/Engineer any discrepancy between the executed work and the Drawings.

ARTICLE 38. SUBCONTRACTS

The Contractor shall, within ten (10) days after the Date of Notice on the Notice of Award, submit to the Architect/Engineer, the Principal Representative and State Buildings Programs a complete list of his subcontractors on a schedule prepared by the Architect/Engineer for such submittal.

The Contractor shall not employ any subcontractor that the Architect/Engineer, within fifteen (15) days after the Date of Notice on the Notice of Award, objects to in writing, as being unacceptable to either the Architect/Engineer, the Principal Representative or State Buildings Programs.

The Contractor shall be fully responsible to the Principal Representative for the acts and omissions of his subcontractors and of persons either directly or indirectly employed by them. All instructions or orders in respect to work being done by subcontractors shall be given to the Contractor.

ARTICLE 39. RELATIONS OF CONTRACTOR AND SUBCONTRACTOR

The Contractor agrees to bind each subcontractor to the terms of these General Conditions and to the requirements of the drawings and specifications, and any addenda thereto, and also all

the other Contract Documents, so far as applicable to the work of such subcontractor, unless specially noted to the contrary.

Nothing contained in the Contract Documents shall be deemed to create any contractual relationship whatsoever between any subcontractor and the State of Colorado acting by and through Its Principal Representative.

ARTICLE 40. ARCHITECT/ENGINEER'S STATUS

The Architect/Engineer Is the agent of the Principal Representative as provided in the Contract Documents and his Agreement.

In case of termination of employment or the death of the Architect/Engineer, the Principal Representative will appoint a capable and reputable Architect/Engineer against whom the Contractor makes no reasonable objection, whose status under the Contract shall be the same as that of the former Architect/Engineer.

ARTICLE 41. ARCHITECT/ENGINEER'S DECISIONS

The Architect/Engineer shall, within a reasonable time, make decisions on all mater's relating to the execution and progress of the work or the Interpretation of the Contract Documents.

ARTICLE 42. ARBITRATION

The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this Contract. Any provision of this Contract whether or not incorporated herein by reference which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this provision will not Invalidate the remainder of this Contract to the extent that the Contract is capable of execution.

ARTICLE 43. USE OF PREMISES

The Contractor shall confine his apparatus, the storage of materials and the operations of his workmen to limits indicated by law, ordinances and permits. The Contractor shall not unreasonably encumber the premises with his materials.

The Contractor shall enforce the Architect/Engineer's Instructions regarding signs, advertisements, fires and smoking.

ARTICLE 44. CUTTING, PATCHING

The Contractor shall do all cutting, fitting or patching of his work that may be required to make its several parts come together properly and fit it to receive or be received by work of other contractors shown upon, or reasonably Implied by, the Drawings and Specifications for the complete structure, and he shall make good after them as the Architect/Engineer may direct.

Any cost caused by defective or ill-timed work shall be borne by the party responsible therefor.

The Contractor shall not endanger any work by cutting, excavating or otherwise altering the work and shall not cut or alter the work of any other contractor save with the consent of the Architect/Engineer.

ARTICLE 45. CLEANING UP

The Contractor shall keep the building and premises free from all surplus material, waste material, dirt and rubbish caused by his employees or work, and at the completion of his work he shall remove all such surplus material, waste material, dirt, and rubbish, as well as all his tools, equipment and scaffolding, and shall leave his work clean and spotless, unless more exact requirements are specified. In case of dispute, the State of Colorado, acting by and through the Principal Representative, may remove all such items and charge the cost of such removal to the Contractor or contractors involved.

At the completion of his work, the Contractor shall remove all spots from the floors, walls, ceilings, windows and doors, and where necessary refit windows, doors and cabinet work. He shall also clean all window glass and all plumbing fixtures. The Contractor shall make such minor repairs and alterations in respect to his work as may be necessary to make the building ready for occupancy. The Contractor shall replace all broken and scratched glass with new and perfect material.

ARTICLE 46. LABOR AND WAGES

In accordance with laws of Colorado, Title 8-17-1 01 to 103, CRS, as amended, Colorado labor shall be employed to perform the work to the extent of not less than eighty percent (80%) of each type or class of labor in the several classifications of skilled and common labor employed on the project. If the Federal Davis-Bacon Act shall be applicable to the project, the minimum wage rates to be paid on the project will be specified in the Contract Documents.

ARTICLE 47. EQUAL OPPORTUNITY, DISCRIMINATION AND AFFIRMATIVE ACTION

The Contractor agrees to comply with the letter and spirit of the Colorado Anti-discrimination Act of 1957, as amended, and other applicable laws respecting discrimination and unfair employment practices (24-34-402, CRS 1973, as amended), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. Pursuant thereto, the following provisions shall be contained in all State contracts or subcontracts.

During the performance of this Contract, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The Contractor will take affirmative action to insure that applicants are employed and that employees during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; lay-offs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth provisions of this nondiscrimination clause.
- (2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age.
- (3) The Contractor will send to each labor union or representative of workers with which he has collective bargaining agreement or other contract or understanding, notice to be provided by the contracting officer, advising the labor union or workers' representative of

the contractor's commitment under the Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975, and of the rules, regulations, and relevant Orders of the Governor.

- (4) The Contractor and labor unions will furnish all information and reports required by Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, and by the rules, regulations and Orders of the Governor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the office of the Governor or his designee for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (5) A labor organization will not exclude any Individual otherwise qualified from full membership rights in such labor organization, or to expel any such individual from membership in such labor organizations or discriminate against any of its members in the full employment of work opportunity, because of race, creed, color, sex, national origin, or ancestry.
- (6) A labor organization, or the employees or members thereof will not aid, abet, Incite, compel or coerce the doing of any act defined In this Contract to be discriminatory or obstruct or prevent any person from complying with the provisions of this Contract or any order issued thereunder; or attempt, either directly or indirectly, to commit any act defined in this Contract to be discriminatory.
- (7) In the event of the Contractors non-compliance with the non-discrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared Ineligible for further State contracts in accordance with procedures, authorized in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975 and the rules, regulations, or orders promulgated In accordance therewith, and such other sanctions as may be imposed and remedies as may be invoked as provided in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, or by rules, regulations, or orders promulgated in accordance therewith, or as otherwise provided by law.
- (8) The Contractor will include the provisions of paragraphs (1) through (8) in every sub-contract and sub-contractor purchase order unless exempted by rules, regulations, or orders issued pursuant to Executive Order, Equal Opportunity and Affirmative Action by April 18, 1975, so that such provisions will be binding upon each sub-contractor or vendor. The Contractor will take such action with respect to an sub-contracting or purchase order as the contracting agency may direct, as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with the sub-contractor or vendor as a result of such direction by the contracting agency, the Contractor may request the State of Colorado to enter into such litigation to protect the interest of the State of Colorado.

ARTICLE 48. PREFERENCE OF BIDDERS, MATERIALS AND EQUIPMENT

The selection of materials and equipment for the work shall be in accordance with the laws of Colorado which read substantially as follows:

- (a) "Preference is hereby given to Colorado labor and to supplies, materials and provisions produced, manufactured or grown In Colorado, quality being equal to articles offered by competitors outside of the State." (Title B-18-101 to 103, CRS, as amended).

- (b) "A resident bidder shall be allowed a preference against a non-residential bidder from a state or foreign country equal to the preference given or required by the state or foreign country in which the non-resident bidder is a resident (Title 8-19-101 to 103, CRS, as amended).

ARTICLE 49. TIME OF COMPLETION AND LIQUIDATED DAMAGES

It is hereby understood and mutually agreed, by and between the parties hereto, that the date of beginning, rate of progress, and the time for completion of the work to be done hereunder are ESSENTIAL CONDITIONS of this Contract; and it is further understood and agreed that the work embraced in this Contract shall be commenced in the time to be specified in the Notice to Proceed.

It is further agreed that time is of the essence of each and every portion of this Contract and of the specifications wherein a definite and certain length of time is fixed for the performance of any act whatsoever, and where under the Contract an additional time is allowed for the completion of any work the new time limit fixed by such extension shall be of the essence of this Contract.

The Contractor agrees that said work shall be prosecuted regularly, diligently and uninterruptedly at such rate of progress as will insure full completion thereof within the time specified. It is expressly understood and agreed, by and between the parties hereto, that the stipulated time for the completion of the work described herein is a reasonable time for the completion of the work, taking into such consideration all factors, including the average climatic range and usual industrial conditions prevailing in the locality of the building operations.

If the said Contractor shall neglect, fail or refuse to complete the work within the time specified in the Agreement, such failure shall constitute a breach of the Contract and the State of Colorado, acting by and through the Principal Representative shall be entitled to liquidated damages if and as specified in the Supplementary General Conditions of the Contract Documents.

ARTICLE 50. COMPLETION, FINAL INSPECTION, ACCEPTANCE AND SETTLEMENT

- A. NOTICE OF COMPLETION.** When the work is complete and ready for final inspection, the Contractor shall file a written Notice with the Architect/Engineer that the work, in the opinion of the Contractor, is complete under the terms of the Contract.
- B. FINAL INSPECTION.** Within ten (10) days after the Contractor files written Notice that the work is complete, the Architect/Engineer, the Principal Representative, and the Contractor shall make a "final inspection" of the project to determine whether the work has been completed in accordance with the Contract Documents (State Buildings Programs to be notified of inspection). A final punch list shall be made by the Architect/Engineer in sufficient detail to fully outline to the Contractor:
 - (a) Work to be completed, if any;
 - (b) Work not in compliance with the drawings or specifications, if any;
 - (c) Unsatisfactory work for any reason, if any.The required number of copies of the punch list will be countersigned by the authorized representative of the Principal Representative and will then be transmitted by the Architect/Engineer to the Contractor, the Principal Representative, and State Buildings Programs.
- C. NOTICE OF ACCEPTANCE.** The Notice of Acceptance shall establish the completion date of the project.
- D. SETTLEMENT.** The Principal Representative shall not authorize final payment until all items on the punch list have been completed, the Notice of Acceptance Issued, and the Notice of Contractors Settlement published. If the work shall be substantially completed, but final

completion thereof shall be prevented through delay in correction of minor defects, or unavailability of materials or other causes beyond the control of the Contractor, the Principal Representative in his discretion may release to the Contractor such amounts as may be in excess of three times the cost of completing the unfinished work or the cost of correcting the defective work, as estimated by the Architect/Engineer and approved by State Buildings Programs.

Before the Principal Representative may advertise, the Contractor shall:

1. Deliver to the Architect/Engineer:
 - (a) All guaranties and warranties;
 - (b) All statements to support local sales tax refunds;
 - (c) Three (3) complete bound sets of required operating maintenance instructions; and
 - (d) One (1) set of drawings showing all job changes.
2. Demonstrate to the operating personnel of the Principal Representative:
 - (a) Proper operation and maintenance of all equipment.

Upon completion of the foregoing the project shall be advertised in accordance with the "Notice of Contractor's Settlement" by two publications of notice, the last publication appearing at least ten (10) days prior to the time of final settlement.

On the date of final settlement thus advertised, and after the Contractor has submitted a written notice to the Architect/Engineer that no claims have been filed, final payments and settlement shall be made in full.

If any unpaid claim for labor, materials, rental machinery, tools, supplies or equipment is filed before payment in full of all sums due the Contractor, the Principal Representative and the State Controller shall withhold from the Contractor sufficient funds to insure the payment of such claim, until the same shall have been paid or withdrawn, such payment or withdrawal to be evidenced by filing a receipt in full or an order for withdrawal signed by the claimant or his duly authorized agent or assignee. However, as provided by statute, such funds shall not be withheld longer than ninety (90) days following the date fixed for final settlement with the Contractor, as set forth in the published Notice of Contractors Settlement, unless an action at law shall be commenced within that time to enforce such unpaid claim and a notice of such action at law shall have been filed with the Principal Representative and the State Controller. At the expiration of the ninety (90) day period, the State Controller shall release to the Contractor all monies as are not the subject of such action at law.

ARTICLE 51. WARRANTIES AND GUARANTIES

The Contractor shall guaranty his work for a period of one year from the date of the Notice of Acceptance.

In case of work performed for which warranties are required by the specifications, the Contractor shall secure the required warranties and deliver copies thereof to the Principal Representative through the Architect/Engineer upon completion of the work.

These warranties, as such, do not in any way lessen the Contractor's responsibilities under his contract. Whenever guaranties or warranties are required by the specifications for a longer period than one year, such longer period shall govern.

ARTICLE 52. GUARANTY INSPECTIONS AFTER COMPLETION

The Architect/Engineer, the Principal Representative and the Contractor together shall make at least two complete inspections of the work after the work has been accepted. One such inspection, the "six-month Guaranty Inspection," shall be made approximately six (6) months after

the acceptance of the work; and another such inspection, the "Eleven-Month Guaranty Inspection" shall be made approximately eleven (11) months after the acceptance of the work. The Principal Representative shall schedule and so notify all parties concerned, including State Buildings Programs, of these inspections.

Written punch lists and reports of these inspections shall be made by the Architect/Engineer and forwarded to the Contractor, State Buildings Programs, and all other participants within ten (10) days after the completion of the inspections. The Contractor shall immediately initiate such remedial work as may be necessary to correct any deficiencies or defective work shown by this report, and shall promptly complete all such remedial work in a manner satisfactory to the Architect/Engineer and State Buildings Programs.

If the Contractor fails to promptly correct all deficiencies and defects shown by this report, the Principal Representative may do so, after giving the Contractor ten (10) days written Notice of intention to do so.

The State of Colorado, acting by and through the Principal Representative shall be entitled to collect from the Contractor all costs and expenses incurred by it in correcting such deficiencies and defects, as well as all damages resulting from such deficiencies and defects.

ARTICLE 53. RIGHT OF OCCUPANCY

The Principal Representative shall have the right to take possession of and to use any completed or partially completed portions of the work, even if the time for completing the entire work or such portions of the work has not expired and even if the work has not been finally accepted. Such possessions and use shall not constitute an acceptance of such portions of the work.

Prior to any occupancy of the project, an inspection shall be made by the Architect/Engineer, State Buildings Programs and the Contractor. Any and all areas so occupied will be subject to a final inspection when the Contractor complies with Article 50A of the General Conditions.

ARTICLE 54. UTILITIES

- A. TEMPORARY UTILITIES.** The Contractor shall provide and pay for the Installation for all temporary utilities required to supply all the power, light and water needed by him and other Contractors for their work and shall Install and maintain all such utilities in such manner as to protect the public and workmen and conform with any applicable laws and regulations. Upon completion of the work, he shall remove all such temporary utilities from the site.

The Contractor shall pay for all consumption of power, light and water used by him and the other

Contractors, without regard to whether such items are metered by temporary or permanent meters. The superintendent shall have full authority over all trades to prevent waste.

The cut-off date on permanent meters shall be either the agreed date of occupancy or the date of final acceptance of the project, whichever shall be the earlier date.

- B. PROTECTION OF EXISTING UTILITIES.** Where existing utilities, such as water mains, sanitary sewers, storm sewers and electrical conduits, are shown on the drawings, the Contractor shall be responsible for the protection thereof, without regard to whether any such utilities are to be relocated or removed as a part of the work. If any utilities are to be moved, the moving must be conducted in such manner as not to cause undue interruption or delay in the operation of the same.
- C. CROSSING OF UTILITIES.** When new construction crosses highways, railroads, streets, or utilities under the jurisdiction of State, City or other Public Agency, Public Utility or

private entity, the Contractor shall secure proper written permission before executing such new construction. The Contractor will be required to furnish a proper release before final acceptance of the work.

ARTICLE 55. SANITARY PROVISIONS

The Contractor shall provide and maintain suitable, weathertight, painted, sanitary toilet facilities for any and all workmen engaged on the work, for the entire construction period, and in strict compliance with the requirement of all applicable codes, regulations, laws and ordinances. The Contractor shall keep toilets clean and supplied with accessories at all times, and when toilet facilities are no longer required he shall promptly remove them from the site, disinfect, and clean or treat the areas as required.

If any new construction surfaces in the project other than the toilet facilities provided for herein are soiled at any time, the entire areas so soiled shall be completely removed from the project and rebuilt.

In no event may present toilet facilities of any existing building at the site of the work be used by employees of any Contractor.

ARTICLE 56. TEMPORARY HEAT

The Contractor shall furnish and pay for all temporary heat. The Contractor shall furnish all the labor, facilities and equipment necessary to supply temporary heat and shall be responsible for the installation, operation, maintenance and removal of such facilities and equipment. The Architect/Engineer shall have supervision of and jurisdiction over the supplying of temporary heat and all his decisions concerning performance of any of the provisions of the Article shall be binding on all parties concerned.

The permanent heating system in whole or In part shall not be used for temporary heat. If the Contractor desires to put the permanent heating system into operation for testing purposes, In whole or In part, he shall set it into operation and furnish the necessary fuel and manpower to safely operate, protect and maintain that heating system.

Any operation of all or any part of the permanent heating system shall not constitute acceptance of the system, nor shall it relieve the Contractor of his one-year guaranty of the system. The one-year period of said guaranty shall not commence, In any event, until the final acceptance of the entire project.

ARTICLE 57. PROTECTION AGAINST WEATHER

The Contractor shall, at all times, provide protection against weather, so as to maintain all work, materials, apparatus and fixtures free from injury or damages. At the end of the work day, all new work likely to be damaged shall be covered or otherwise protected as required.

Wet work shall not be performed when temperature is below 40°F or is likely to go below 40°F within the ensuing 48 hours, except when sufficient protective heat is provided and the approval of the Architect/Engineer is obtained in writing.

The Contractor shall provide weathertight storage on substantial floors at least six (6) inches off the ground for all materials requiring protection from the weather.

ARTICLE 58. TEMPORARY OFFICE FACILITIES AT THE SITE

The Contractor shall provide and maintain for the duration of the project a weathertight, well lighted, safely heated building, primarily for his own use and the intermittent use of the Architect/Engineer, representative of the Principal Representative and State Buildings Programs.

The Contractor shall also provide telephone service at such office which shall be available for the use of the respective representatives without charge, except for long distance telephone calls.

ARTICLE 59. BENCH MARK AND BATTER BOARDS

A permanent bench mark, approved by the Architect/Engineer, from which all grades are to be taken shall be established near the site of the work by the Contractor. From this bench mark, the Contractor shall ascertain all grades and levels to the building as needed. The drawings of the Architect/Engineer will include all necessary information to establish the bench mark.

The Contractor shall stake out the building, rigidly set the required batter boards and be responsible for their maintenance and continued accuracy.

ARTICLE 60. WORK IN EXISTING BUILDINGS

If the work Involves an addition to an existing building, the Contractor shall erect and maintain during the progress of the work, suitable dust-proof partitions to protect such building and the occupants thereof.

If any portions of an existing building are to be remodeled or repaired, such portions shall be adequately partitioned off with dust-proof partitions. All remodeling work shall be scheduled for approval. The various Contractors shall schedule their work jointly, in order that each may accomplish his work within such existing building in an orderly fashion, or in such manner as to permit full use of the building and without impairment of any existing facilities.

ARTICLE 61. UNSUITABLE CONDITIONS

The Contractor shall not work at any time, or permit any work to be done, under any conditions unsuited to its perfect execution, safety and performance. Any cost caused by Ill-timed work shall be borne by the Contractor responsible therefor.

ARTICLE 62. SIGN

The Contractor shall erect one sign only at the site to identify the project. The Architect/Engineer will prepare a drawing specifying the nomenclature on the sign. The sign panel shall be 3' x 4' in size and made of 3/4" exterior type plywood, suitably cased at the exposed edges, properly painted and lettered.

The sign shall be placed in a prominent location, properly supported in position and maintained In good condition during the life of the project.

STATE OF COLORADO

INFORMATION FOR BIDDERS

- 1. CONTRACTOR QUALIFICATION:** State projects of \$50,000 or more, and under supervision of State Buildings Programs, require the Contractor to be qualified with the Division of Purchasing, State Buildings Programs. Projects under \$50,000 do not require qualification. A Contractor, to be qualified with Colorado State Buildings Programs, must annually file State Form SC-9.1, "Contractor's Statement of Experience," and be qualified at least two (2) working calendar days prior to the date fixed for publicly opening sealed bids. This form can be obtained by writing the Director, State Buildings Programs, at the address shown below. Filing instructions are detailed in the form under INSTRUCTIONS.

NOTE: Vendors / Contractors who are registered with the State of Colorado, General Support Services, Division of Purchasing's Bid Information and Distribution System (BIDS) are eligible to bid on construction projects less than \$50,000 solicited through that system and are not eligible to bid on construction projects that are \$50,000 or greater as publicly advertised unless they qualify with the Colorado State Buildings Programs as stated above.

- 2. BID FORM:** Bidders are required to use the Bid form attached to the bidding documents. Each bidder is required to bid on all alternates. The bid shall not be modified or conditioned in any manner. Bids shall be submitted in sealed envelopes bearing the address and information shown below. If a bid is submitted by mail, this aforementioned sealed envelope should be enclosed in an outer envelope and sent to the following addressee:

Director, State Buildings Programs or State Buildings' Delegee
Capitol Life Building
225 East 16th Avenue, Suite 900
Denver, Colorado 80203

The outside of the sealed inner envelope should bear the following information:

Project #
Project Name
Name and Address of Bidder
Date of Opening
Time of Opening

- 3. INCONSISTENCIES AND OMISSIONS:** Any seeming inconsistencies, or any matter seeming to require explanation, must be inquired into by the bidder at least 72 hours (excluding Sundays and holidays) prior to the time set for the opening of Bids. Decisions of major importance on such matters will be issued in the form of addendum.
- 4. APPLICABLE LAWS AND REGULATIONS:** The bidder's attention is called to the fact that all work under this Contract shall comply with the provisions of all state and local laws, approved state building codes, ordinances and regulations which might in any manner affect the work to be done or those to be employed in or about the work.

Attention is also called to the fact that the use of labor for work shall be governed by the provisions of Colorado law which are hereinafter set forth in Articles 46 and 47 of the GENERAL CONDITIONS.

5. **TAXES:** The bidder's attention is called to the fact that the Bid submitted shall exclude all applicable Federal excise or manufacturers' taxes and all State sales and use taxes as hereinafter set forth in Article 11.C of the GENERAL CONDITIONS.

6. **OR EQUAL:** The words “OR EQUAL” are applicable to all specifications and drawings relating to materials or equipment specified. Any material or equipment which will fully perform the duties specified, will be considered “equal”, provided the bid submits proof that such material or equipment is of equivalent substance and function and is approved, in writing. Requests for the approval of “or equal” shall be made in writing at least five (5) working days prior to bid opening. During the bidding period, all approvals shall be issued by the Architect/Engineer in the form of addenda at least two (2) working calendar days prior to the bid opening date.
7. **ADDENDA:** Owner/architect initiated addenda shall not be issued later than two (2) working calendar days prior to bid opening date. All addenda shall become part of the Contract Documents and receipt must be acknowledged on the Bid form.
8. **METHOD OF AWARD - LOWEST RESPONSIBLE BIDDER:** If the specifications for this project require that prices be listed on Appendix A of this Bid as Alternates, the Bidders should note the below Method of Award that is applicable to this bid.
 - A. **DEDUCTIBLE ALTERNATES:** Deductible alternates, if used in determining the lowest responsible bidder, shall be deducted from the base bid of each bidder in the numerical order listed to the extent that the deduction of alternates results in a total within available funds to finance the project.
 - B. **ADDITIVE ALTERNATES:** The lowest responsible bid, taking into account the Colorado resident bidder preference provision of Colorado law, which is hereinafter set forth in Article 48 of the GENERAL CONDITIONS, will be determined by and the contract will be awarded on the base bid plus all additive alternates, to the extent that the addition of alternates results in a sum total within available funds to finance the contract. If this bid exceeds such amount, the right is reserved to reject all bids. Additive alternates will be used in determining the lowest responsible bid within the amount available to finance the contract, added in the numerical order listed. An equal number of alternates shall be added to the base bid of each bidder within funds available to finance the contract for purposes of determining the lowest responsible bidder.
 - C. **DEDUCTIBLE AND ADDITIVE ALTERNATES:** The lowest responsible bid, taking into account the Colorado resident bidder preference provision of Colorado law, which is hereinafter set forth in Article 48 of the GENERAL CONDITIONS, will be determined by and the contract will be awarded on the base bid plus all additive alternates, to the extent that the addition of alternates results in a sum total within available funds to finance the contract. If this bid exceeds such amount, the right is reserved to reject all bids. Additive alternates will be used in determining the lowest responsible bidder within the amount available to finance the contract, added in the numerical order listed. An equal number of alternates shall be added to the base bid of each bidder within funds available to finance the contract for purposes of determining the lowest responsible bidder.

If this bid exceeds the funds available to finance the contract, the right is reserved to reject all bids or award the contract on the base bid combined with deductible alternates, deducted in the numerical order in which they are listed in both the Architect/Engineers specification, and the Bid, to produce a net amount which is within the available funds. Additive alternates will not be used if deductible alternates are used and deductible alternates will not be used if additive alternates are used.



STATE OF COLORADO

Labor and Material Payment Bond

PROJECT NO _____

KNOW ALL PERSONS BY THESE PRESENTS:

That the Contractor

as Principal and hereinafter called "Principal,"

and

as Surety and hereinafter called "Surety," a corporation organized and existing under the laws of

are held and firmly bound unto the STATE OF COLORADO acting by
and through

hereinafter called "Principal Representative," and to all subcontractors and any others who have supplied or furnished or shall supply or furnish materials, rental machinery, tools, or equipment actually used in the performance of the hereinafter identified Contract, or who have performed or shall perform labor in the performance of or in connection with said Contract, hereinafter called "Obligees" in the sum of

Dollars (\$))

together with interest at the rate of eight per cent (8%) per annum on all payments becoming due in accordance with said Contract, from the time such payments shall become due until such payment shall be made, for the payment of which, well and truly made to the Obligees, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents.

WHEREAS, the Principal and the State of Colorado acting by and through the Principal Representative have entered into a certain Contract, hereinafter called "Contract," dated _____, 19 for the construction of a PROJECT described as

which Contract is hereby by reference made apart hereof;

395-61-01-2210
DC-3215-85

(OVER)

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal and the Surety shall fully indemnify and save harmless the State of Colorado and the Principal Representative from and against any and all costs and damages, including patent infringements, which either may suffer by reason of any failure or failures of the Principal promptly and faithfully to perform all terms and conditions of said Contract and shall fully reimburse and repay the State of Colorado and the Principal Representative all outlay and expense which the State of Colorado and the Principal Representative may incur in making good any such failure or failures, and further, if the Principal and his subcontractors shall duly and promptly pay for any and all labor, materials, team hire, sustenance, provisions, provender, rental machinery, tools, or equipment and other supplies which have been or shall be used or consumed by said Principal or his subcontractors in the performance of the work of said Contract , and it said Principal shall duly and promptly pay all his subcontractors the sums due them for any and all materials, rental machinery, tools, or equipment and labor that have been or shall be furnished, supplied, performed or used in connection with performance of said Contract, and shall also fully indemnify and save harmless the State of Colorado and the Principal Representative to the extent of any and all expenditures which either or both of them may be required to make by reason of any failures or defaults by the Principal or any subcontractor in connection with such payments; then this obligation shall be null and void, otherwise it shall remain in full force and effect.

It is expressly understood and agreed that any alterations which may be made in the terms of said Contract or in the work to be done under said Contract, or any extension(s) of time for the performance of the Contract, or any forbearance on the part of either the State of Colorado or the Principal to any of the others, shall not in any way release the Principal and the Surety, or either of them, their heirs, executors, administrators, successors or assigns from their liability hereunder, notice to the Surety of any such alteration, extension or forbearance being hereby waived.

IN WITNESS WHEREOF, the Principal and the Surety have executed this Bond, this _____ day of _____, **A.D.**, 19_____.

(Corporate Seal)

PRINCIPAL

ATTEST

By _____

Title _____

Secretary

(Corporate Seal)

SURETY

By _____

Attorney-in-fact

THIS BOND MUST BE ACCOMPANIED BY A POWER OF ATTORNEY, EFFECTIVELY DATED

Note: This bond is issued simultaneously with another bond conditioned for the full and faithful performance of the contract.



State of Colorado

Notice of Acceptance

PROJECT NO. _____

DATE OF NOTICE

TO:

PROJECT:

Gentlemen:

Notice is hereby given that the State of Colorado, acting by and through the accepts as complete* the above numbered project.

DIVISION OF PURCHASING
STATE BUILDINGS AND REAL ESTATE PROGRAMS

STATE OF COLORADO, acting by and through:

By _____
Larry J. Friedberg, Director Date

By _____
Principal Representative

*When completely executed, this form is to be sent by certified mail to the Contractor by the Principal Representative.



State of Colorado

Notice of Award

PROJECT NO. _____

DATE OF NOTICE

Filled in by the Principal Representative

TO:

PROJECT:

Gentlemen:

The State of Colorado, represented by the undersigned, has considered the Proposals submitted for the above described work.

Your Proposal, deemed to be in the best interest of the State of Colorado, in the amount of Dollars (\$ _____), is hereby accepted, pending final execution of the Agreement.

You **are** required to execute the approved Agreement and to furnish the Performance Bond, Labor and Material Payment Bond, Insurance Policy and Certificates of Insurance within ten (10) days from the date of this Notice.

If you fail to execute said Agreement and to furnish said Performance Bond, Labor and Material Payment Bond, Insurance Policy and Certificates of Insurance within ten (10) days from the date of this Notice, the State Controller will be entitled to retain the amount of the Proposal Guaranty submitted with your Proposal as Liquidated damages. In this event, the right is reserved to consider all of your rights arising out of the acceptance of your Proposal as abandoned and to award the work covered by your Proposal to another, or to re-advertise the work, or otherwise dispose thereof.

DIVISION OF PURCHASING
STATE BUILDINGS and REAL ESTATE PROGRAMS

STATE OF COLORADO, acting by and through:
DEPARTMENT OF MILITARY AFFAIRS

By _____ Date _____ By _____
Larry J. Friedberg, Director Principal Representative

When completely executed, this form is to be sent by **certified mail** to the Contractor by the Principal Representative.

State Form SC-6.15

State Form SC-6.27
Issued 9/1/65 (Rev. 12/95)

395-61-01-6278

Issued 9/1/5 (Rev. 9/94)

615-82-53-6159

State Form SC-6.27
Issued 9/1/65 (Rev. 12/95)

395-61-01-6278



State of Colorado

Notice of Contractor's Settlement

PROJECT NO. _____

Notice is hereby given that on the _____ day of _____ 19____, at _____ Colorado, final settlement will be made by the STATE OF COLORADO with _____, hereinafter called the "CONTRACTOR", for and on account of the contract for the construction of a PROJECT described as

1. Any person, copartnership, association or corporation who has an unpaid claim against the said project, for or on account of the furnishing of labor, materials, team hire, sustenance, provisions, provender, rental machinery, tools. or equipment and other supplies used or consumed by such Contractor or any of his subcontractors In or about the performance of said work, may at any time up to and including said time of such final settlement, file a verified statement of the amount due and unpaid on account of such claim
2. All such claims shall be filed with the Authority for College, Institution, Department or Agency and the State Controller, State Services Building, Denver, Colorado.
3. Failure on the part of a creditor to file such statement prior to such final settlement will relieve the State of Colorado from any and all liability for such claim

Dated at _____, Colorado, this _____ day of _____, 19_____.

STATE OF COLORADO, acting by and through:

By _____

MEDIA OF PUBLICATION: Daily Journal, Denver, Colorado

PUBLICATION DATES:

First:

Daily Journal

Second:

(At least ten (10) days prior to above settlement date)

NOTES TO EDITOR:

1. Transmit one (1) copy of the above Advertisement to the DIVISION OF PURCHASING/State Buildings and Real Estate Programs, Capitol Life Building, 225 East 16th Avenue, Suite 900, Denver, Colorado 80203
2. Transmit two (2) copies of the Affidavit of Publication, and invoice, to:



State of Colorado

Notice to Proceed

PROJECT NO. _____

DATE OF NOTICE _____
Filled in by the Principal Representative

TO:

PROJECT:

Gentlemen:

This is to advise you that your Performance Bond, Labor and Material Payment Bond, the requisite Builder's Risk Insurance Policy or Certificate for same, and Certificates of Insurance have been received. Our issuance of this Notice does not relieve you of responsibility to assure that the bond and insurance requirements of the Contract Documents are met. The Agreement covering for above described work has been fully executed.

You are hereby authorized and directed to proceed within ten (10) days from date of this Notice as required in the Agreement.

DIVISION OF PURCHASING
STATE BUILDINGS and REAL ESTATE PROGRAMS

STATE OF COLORADO, acting by and through:

By _____
Larry Friedberg, Director Date

By _____
Principal Representative

When completely executed, this form is to be sent by certified mail to the Contractor by the Principal Representative.

ORDER OF ASSIGNMENT OF ACCOUNT (ASSIGNOR)

I, _____, being fully authorized as _____
Affiant Title

for _____ do hereby order the assignment
Assignor

of the Department of _____ 's of the State of Colorado
Agency

account for _____ to _____.
Assignor Assignee

As part of the assignment of the account, the Department of _____
Agency

is ordered to make all future payments due to _____ for past and
Assignor

future services performed and goods purchased to _____
Assignee

until further notice is received from _____.
Assignor

Assignor Signature

.....
The foregoing affidavit was acknowledged before me, the undersigned Notary

Public, by _____

this _____ day of _____, 19__.

Witness my hand and official seal. _____

My commission expires: _____



State of Colorado

Performance Bond

PROJECT NO. _____

KNOW ALL PERSONS BY THESE PRESENTS:

That the Contractor

as Principal and hereinafter called "Principal,"

and

as Surety and hereinafter called "Surety," a corporation organized and existing under the laws of _____
_____ are held and firmly bound unto **the STATE OF COLORADO** acting by and through

hereinafter called the "Principal Representative", in the sum of _____

_____ Dollars (\$ _____)

for the payment whereof the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents.

WHEREAS, the Principal and the State of Colorado acting by and through the Principal Representative have entered into a certain Contract, hereinafter called "Contract," dated _____, 19____, for the construction of a **PROJECT** described as

which Contract is hereby by reference made a part hereof;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION, is such that, if the Principal shall promptly, fully and faithfully perform all the undertakings, covenants, terms, conditions and agreements of said Contract during the original term of said Contract any extensions thereof that may be granted by the Principal Representative with or without notice to the Surety, and during the life of any guaranty required under the Contract, and shall also well and truly perform and fulfill all undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said Contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

(Over)

AND THE SAID SURETY, for value received hereby stipulates and agrees that whenever the Principal shall be, and declared by the Principal Representative to be in default under said Contract, the State of Colorado having performed its obligations thereunder, the Surety may promptly remedy the default or shall promptly (1) Complete the Contract in accordance with its terms and conditions, or (2) Obtain a bid or bids for submittal to the Principal Representative for completing the Contract in accordance with its terms and conditions, and upon determination by the Principal Representative and Surety of the lowest responsible bidder, arrange for a contract between such bidder and the State of Colorado acting by and through the Principal Representative and make available as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion, less the balance of the contract price but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount hereinbefore set forth. The term "balance of the contract price" as herein used shall mean the total amount payable to the Principal under the Contract and any amendments thereto, less the amount properly paid by the State of Colorado to the Contractor.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the State of Colorado.

IN WITNESS WHEREOF said Principal and Surety have executed this Bond, this _____ day of _____,

A.D., 19__.

(Corporate Seal)

THE PRINCIPAL

ATTEST:

By _____

Title _____

Secretary

(Corporate Seal)

SURETY

By _____
Attorney-in-fact

THIS BOND MUST BE ACCOMPANIED BY POWER OF ATTORNEY, EFFECTIVELY DATED

Note: This bond is issued simultaneously with another bond conditioned for the full and faithful payment for all labor and material of the contract.

SPECIAL SUPPLEMENTARY GENERAL CONDITIONS

1. General Conditions, Article 28. Payments Withheld - Delete the first sentence and replace with the following:

The Architect/Engineer, the Principle Representative or State Buildings Programs may withhold or, on account of subsequently discovered evidence, nullify the whole or any part of any estimate on account of, but not limited to:

2. General Conditions, Article 29. Liability Insurance - Delete the entire section and replace with the following:

The Contractor shall procure and maintain Comprehensive General Public Liability and Property Damage Insurance and Comprehensive Automobile Liability and Property Damage Insurance as hereinafter specified, at his own expense, during the life of this contract. This insurance shall include a provision preventing cancellation without ninety (90) days' prior Notice by certified mail and shall state whether the coverage is "claims made" or "occurrence made." The Contractor shall obtain "occurrence made" insurance whenever possible. A completed Certificate of Insurance shall be filed with State Buildings Programs within ten (10) days after the date of the Notice of Award, said Certificate to specifically state the inclusion of the coverages and provisions set forth herein.

This insurance must protect the Contractor from all claims for bodily injury, including death, and all claims for destruction of or damage to property, arising out of or in connection with any operations under his Contract, whether such operations be by himself or by any subcontractor under him or anyone directly or indirectly employed by the Contractor or by a subcontractor under him. All such insurance shall be written with limits and coverages as specified below and shall be written on a Comprehensive Form of Policy. In the event any of the hazards or exposures, normally listed in standard policies as "Exclusions," are involved or required under this Contract, then such hazards or exposures shall be covered and protection afforded under the policy and such exclusions (X), (c) and (u), as excerpted from standard policies, must be removed from the policy as listed below:

"(x) Injury to or destruction of any property arising out of blasting or explosion, other than the explosion of air or steam vessels, piping under pressure, prime movers, machinery of power transmitting equipment"

"(c) The collapse of or structural injury to any building or structure due to:

- (1) grading of land, excavating, burrowing, filling, backfilling, tunneling pile driving, cofferdam work or caisson work; or
- (2) moving, shoring, underpinning, raising or demolition or any building or structure, or removal or rebuilding of any structural support thereof;"

- "(u) (1) injury to or destruction of wires, conduits, pipes, mains, sewers or other similar property, or any apparatus in connection therewith, below the surface of the ground, if such injury or destruction is caused by and occurs during the use of mechanical equipment for the purpose of grading of land, paving, excavating or drilling; or,
- (2) injury to or destruction of property at any time resulting therefrom."

Such insurance shall be written with limits and coverages as follows, and the State of Colorado shall be named as an additional insured:

- a. GENERAL LIABILITY - Minimum limit of liability per occurrence of \$600,000 combined single limit for bodily injury and/or property damage. The following coverages shall be included:

1. Premises - Operations
2. Explosion/Collapse Hazard
3. Underground Hazard
4. Products/Completed Operations Hazard
5. Broad Form Contractual
6. Independent Contractors
7. Comprehensive Form
8. Broad Form Property Damage
9. Personal Injury

b. AUTOMOBILE LIABILITY - Minimum *limit* of liability per occurrence of \$600,000 combined single limit for bodily injury and/or property damage. The following coverages shall be included:

1. Owned automobiles
2. Non-owned automobiles
3. Hired automobiles

c. EXCESS GENERAL AND AUTOMOBILE LIABILITY - Minimum limit of liability per occurrence of \$1,000,000 combined single limit for bodily injury and/or property damage.

3. General Conditions, Article 30. Workman's Compensation Insurance - Delete the reference to State Form SC-6.2222" from paragraph two.
4. General Conditions, Article 31. Builder's Risk Insurance - delete the entire section and replace with the following:

The Contractor shall effect and maintain, at Contractor's expense, during the life of the Contract, all Risk Builder's Risk Completed Value insurance if the work is for an entirely new structure, or all Risk Installation Floater insurance if the work is to an existing structure, in the dollar amount of the total project for which the work of this Contract is to be done.

The Contractor shall waive all rights of subrogation as regards the State of Colorado, its officials, its officers, its agents and its employees, all while acting within the scope and course of their employment. The Insurer shall not void such insurance policy by reason of the Contractor waiving said rights. Such policy may have a deductible clause but not to exceed one thousand dollars (\$1,000.00).

A certificate for such Insurance shall be filed with State Buildings Programs within ten (10) days after date of Notice of Award. The Insurance shall include a provision preventing cancellation without ninety (90) days' prior Notice in writing by certified mail.

The insurance shall remain in effect until the Date of Notice specified on the Notice of Acceptance, State Form SC-6.27, whether or not the building or some part thereof is

occupied in any manner prior to final acceptance of the project. Such insurance shall be in an amount equal to the aggregate total insurable value of the construction contract entered into with permissible deductions of the cost of excavations, foundations below the lowest basement floor, underground construction, underground pipes, underground wiring, sidewalks, driveways, curbs and gutters, street improvements and fences. Upon request, the amount of such fire insurance shall be increased to include the cost of any additional work to be done on the project, or materials or equipment to be incorporated In the project, under other independent contracts let or to be let. In such event, the Contractor shall be reimbursed for this cost as his share of the insurance in the same ratio as the ratio of the insurance represented by such independent contracts let or to be let to the total insurance carried.

All such insurance shall insure the State of Colorado acting by and through its Principle Representative, the Contractor, and his subcontractors as their interests may appear, but the loss, if any, shall be payable to the State Controller, as Trustee.

The Certificate of Insurance shall specifically state the inclusion of the provisions hereinabove.

The Principle Representative, with approval of the State Controller, shall have the power to adjust and settle any loss.

Unless it is agreed otherwise, all moneys received shall be applied to rebuilding or repairing the destroyed or injured work.

5. The following shall refer to and supplement the provisions In Articles 29, 30 and 31 of the General Conditions:

Certificates of Insurance and/or insurance policies required under the provisions of the General Conditions of the Contract, State Form SC-6.23 (Rev. 6/85) and as amended in the Supplementary Conditions hereinbefore shall be subject to the following stipulations:

- A. The clause entitled "Other Insurance Provisions" contained in any policy including the State of Colorado as an additional named insured shall not apply to the State of Colorado.
- B. The insurance companies issuing the policy or policies shall have no recourse against the State of Colorado for payment of any premiums due or for any assessments under any form of any policy.
- C. Any and all deductibles or self-insured retentions contained in any Insurance policy shall be assumed by and at the sole risk of the Contractor.
- D. If any of the said policies shall be or at any time become unsatisfactory to the State of Colorado as to form or substance, or if a company issuing any such policy shall be or at

any time become unsatisfactory to the State of Colorado, the Contractor shall promptly obtain a new policy, submit the same to State Buildings Programs for approval and thereafter submit a Certificate of Insurance as hereinbefore provided. Upon failure of the Contractor to furnish, deliver and maintain such insurance as provided herein, this Contract, in the sole discretion of the State of Colorado, may be immediately declared suspended, discontinued, or terminated. Failure of the Contractor in obtaining and/or maintaining any required insurance shall not relieve the Contractor from any liability under the Contract, nor shall the insurance requirements be construed to conflict with the obligations of the Contractor concerning indemnification.

- E. Prior to cancellation of or material changed in any requisite policy, a minimum of ninety (90) days written notice shall be given to State Buildings Programs by means of registered mail, return receipt requested. All notices shall name the Contractor and identify the Project Number and Name.
 - F. All requisite insurance shall be obtained from financially responsible insurance companies, licensed in the State of Colorado, and acceptable to the State.
 - G. Receipt, review or acceptance by the State of all Insurance Policies, Certificates of Insurance and Bonds required under this Contract shall not be construed as a waiver or relieve the Contractor from its obligation to meet the insurance and bond requirements of the Contract.
- B. General Conditions, Article 48. Preference of Bidders, Materials and Equipment - delete Subsection (a).

APPENDIX C

Capital Construction Fiscal Rules

Rule 4-1

CAPITAL CONSTRUCTION ADMINISTRATION

AUTHORITY:

24-30-1301, C.R.S. (State Buildings Division)
Title 24, Article 75 Part 3, C.R.S.(Capital Construction Fund)
Title 24, Article 91, C.R.S. (Construction)
Title 24, Article 92, C.R.S. (Construction Bidding)
38-26-106, C.R.S. (Contractor Bonds)
38-26-107, C.R.S. (Supplier Claims)

DEFINITIONS:

Capital Construction Fund - A fund created by statute for the purpose of purchasing and/or maintaining land, buildings and equipment and for constructing buildings for use by the State.

RULE:

The State Capital Construction Fund was established to provide a source for appropriations to State Agencies to acquire and maintain their physical facilities. The fund has special requirements that must be followed by State Agencies receiving appropriations from the fund.

Capital Construction Contracts

.01 Formal contracts shall be required for all project costs exceeding \$25,000 unless the State Controller has given prior approval. For project costs less than \$25,000, the Purchasing Director may authorize a purchase order in lieu of a contract.

If project costs exceed \$25,000 but are less than \$50,000 and the plans and specifications have been prepared by or reviewed and approved by a licensed architect or a registered engineer, a State Agency may use a purchase order.

.02 Capital Construction Fund contracts shall follow the contract routing procedures established by the State Controller's Office.

Rule 4-2

CAPITAL CONSTRUCTION PROJECTS

AUTHORITY:

24-30-1301, C.R.S. (State Buildings)
24-30-1404, C.R.S. (Contracts)
Title 24, Article 75 Part 3, C.R.S.(Capital Construction Fund)
Title 24, Article 91, C.R.S. (Construction)
Title 24, Article 92, C.R.S. (Construction Bidding)
38-26-106, C.R.S. (Contractor Bonds)
38-26-107, C.R.S. (Supplier Claims)

DEFINITIONS:

Capital Construction Fund - A fund created by statute for the purpose of purchasing and/or maintaining land, buildings and equipment and for constructing buildings for use by the State.

Capital Construction Project - A construction project funded wholly or in part by funds from the State Capital Construction Fund.

Controlled Maintenance Project - A maintenance project funded wholly or in part by funds from the State Capital Construction Fund.

RULE:

All funds appropriated from the State Capital Construction Fund shall be used for their intended purpose. A State Agency shall not use Capital Construction Funds to pay or reimburse State employees for construction management, administrative activities, direct labor performed, or any other expense outside the scope of the Capital Construction or Controlled Maintenance Project.

Contracts funded by the State Capital Construction Fund shall be executed and the funds encumbered within the time limits established by 24-30-1404, C.R.S.. If a State Agency determines that the deadlines imposed by the statute cannot be met, the State Agency may request the Capital Development Committee to recommend to the State Controller that the deadline be waived. The State Controller may grant the waiver request.

Rule 4-3

CAPITAL CONSTRUCTION PROJECT RETAINAGE

AUTHORITY:

24-30-1301, C.R.S. (State Buildings)
Title 24, Article 75 Part 3, C.R.S.(Capital Construction Fund)
Title 24, Article 91, C.R.S. (Construction)
Title 24, Article 92, C.R.S. (Construction Bidding)
38-26-106, C.R.S. (Contractor Bonds)
38-26-107, C.R.S. (Supplier Claims)

DEFINITIONS:

Capital Construction Fund - A fund created by statute for the purpose of purchasing and/or maintaining land, buildings and equipment and for constructing buildings for use by the State.

Capital Construction Project - A construction project, as defined in 24-30-1301, C.R.S., funded wholly or in part by funds from the State Capital Construction Fund.

Controlled Maintenance Project - A controlled maintenance project, as defined in 24-30-1301, C.R.S., funded wholly or in part by funds from the State Capital Construction Fund.

RULE:

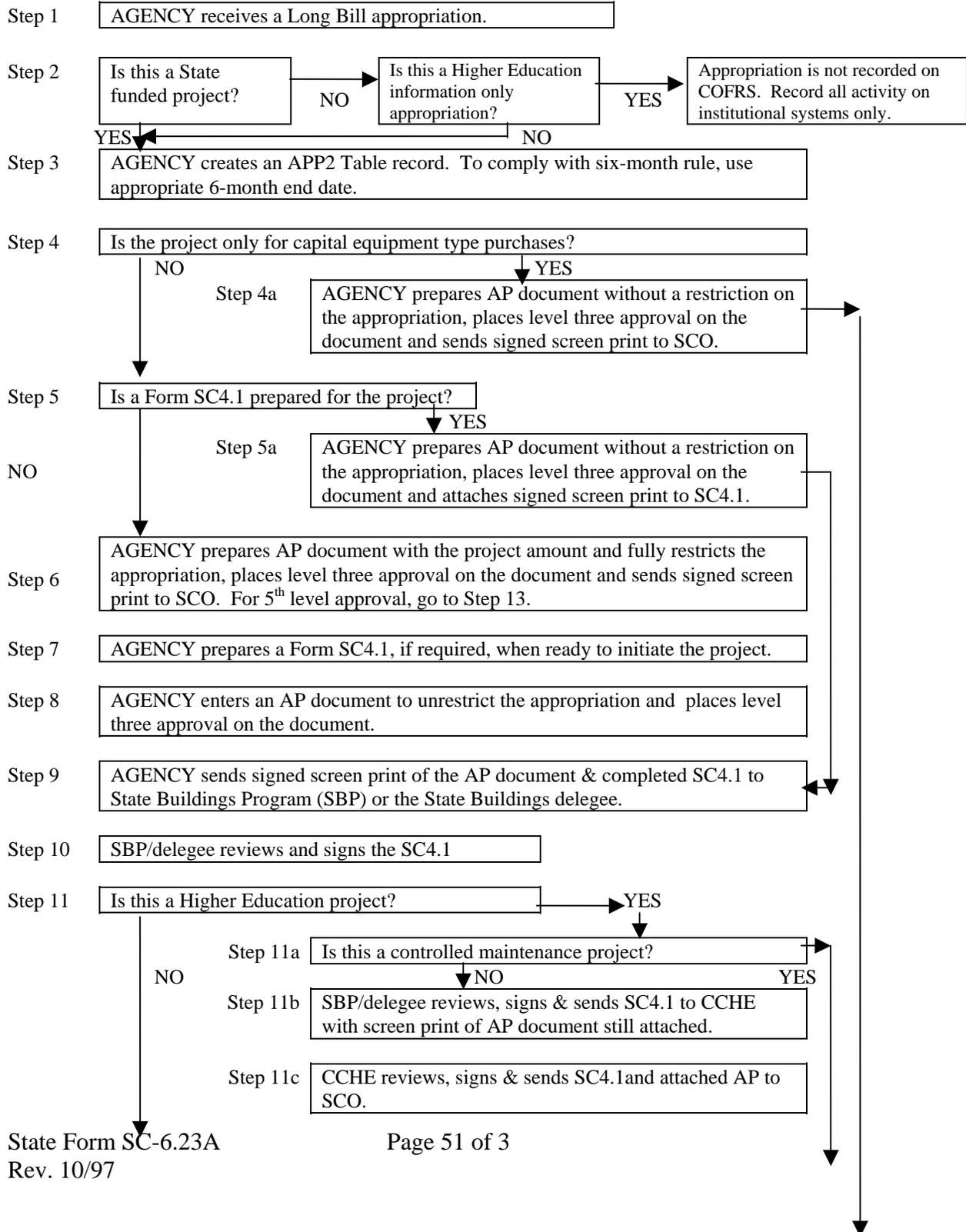
A State Agency shall withhold retainage for all Capital Construction and Controlled Maintenance Projects where the total amount of the contract exceeds the limit established by 24-91-103, C.R.S.. The retainage shall be in the form of monies withheld from the contractor or in any other form authorized by statute and acceptable to the State Agency.

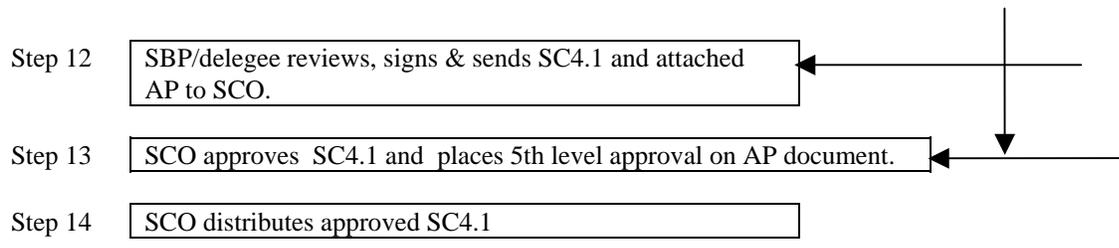
The retainage shall be released by the State Agency only when the contract has been satisfactorily completed and accepted, the State Agency has proof of publication of "Notice of Final Settlement", in accordance with 38-26-107, C.R.S., and there are no outstanding claims against the project.

APPENDIX D

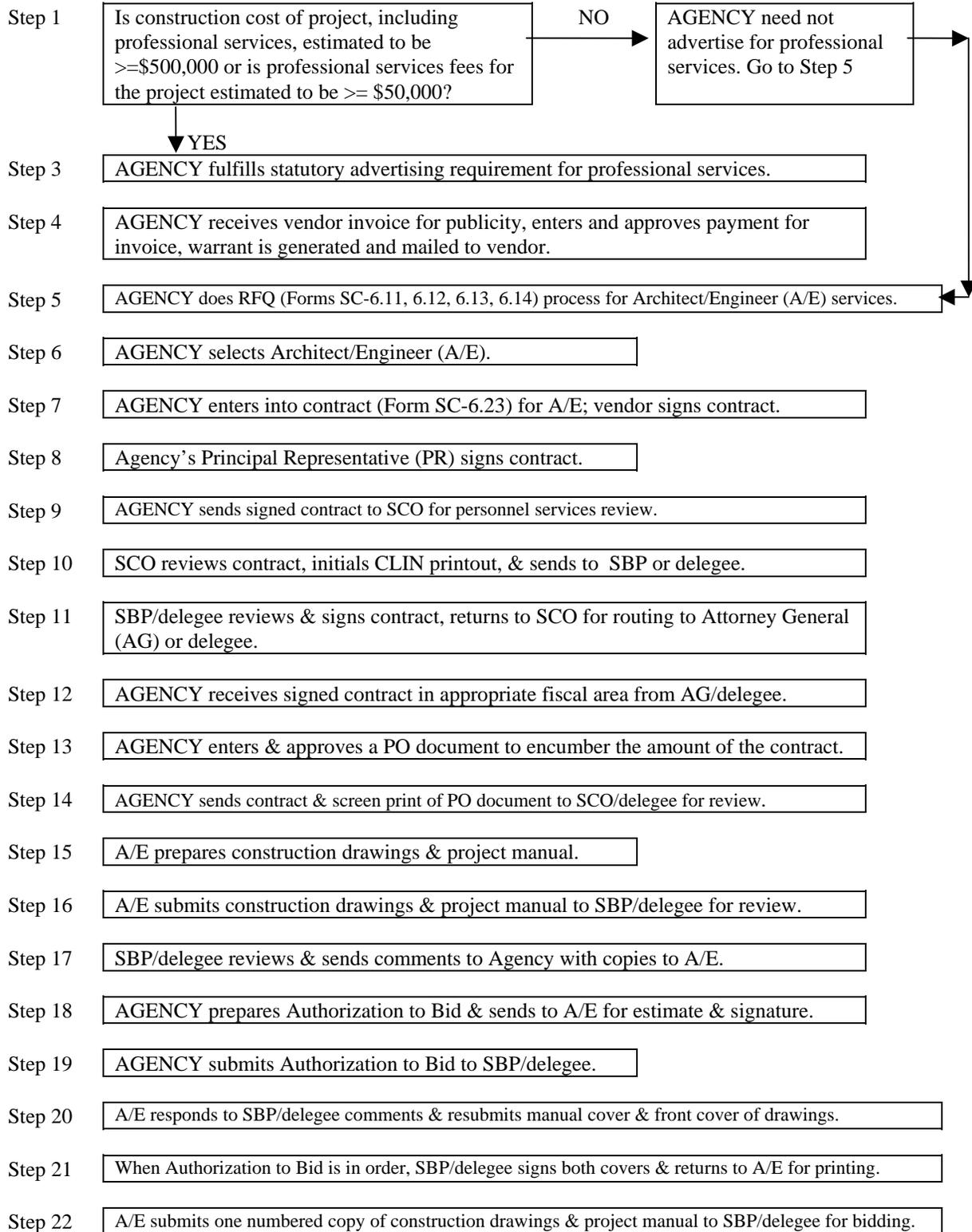
Life Cycle of a Capital Construction Project

A. Setting up a New Project





B. Starting the Project



B. Starting the Project (cont'd)

- Step 23

SBP/delegee contacts A/E for pertinent information, prepares & sends bid advertisement to Daily Journal & regional newspaper(s).
--
- Step 24

SBP/delegee opens bids at least 14 days after advertisement for bids appears.

- Step 25

SBP/delegee sends letter to Lowest Responsible Bid Recommendation & Notice of Award (Form SC-6.15) signed by SBP/delegee to Agency.

- Step 26

AGENCY signs & distributes Notice of Award.

- Step 27

SBP/delegee prepares contract & holds signing conference with contractor.

- Step 28

SBP/delegee receives bonds (Form SC-6.22 and/or 6.221), insurance (Form Sc-6.222), and Minority/Woman Business Enterprises (M/WBE) Compliance Report from the contractor at the conference.

- Step 29

SBP/delegee sends contract and M/WBE to Agency for approval & signature.
--
- Step 30

AGENCY enters & approves a COFRS PO document.

- Step 31

AGENCY returns contract and print screen of COFRS PO and M/WBE to SBP/delegee.
--
- Step 32

SBP/delegee signs contract & forwards three copies to the Attorney General/delegee for approval.
--
- Step 33

AG/delegee forwards signed contract to State Controller or the State Controller delegee.
--
- Step 34

State Controller/delegee returns executed contract to SBP/delegee.
--
- Step 35

SBP/delegee prepares packet of contract, bond and insurance information, M/WBE, and Notice to Proceed (Form SC-6.26), signs & sends to AGENCY Project Manager.
--
- Step 36

AGENCY Project Manager approves, dates & distributes Notice to Proceed.

- Step 37

Contractor must begin project within ten days of date stipulated on Notice to Proceed.
--

C. Managing the Project: Contractor's Agreement

- Step 1

Contractor prepares pay application for portion of work completed and sends to A/E.

- Step 2

A/E reviews and approves invoice and sends to the AGENCY Project Manager/SBP/delegee
--
- Step 3

AGENCY Project Manager/SBP/delegee reviews pay application against contract & project documents & approves the invoice
--
- Step 4

AGENCY Project Manager may calculate retainage or may send invoice directly to appropriate AGENCY accounting office.
--

AGENCY accounting office calculates retainage on invoice if Project Manager did not.
--
- Step 6

AGENCY accounting office enters COFRS PV document for net payment due to vendor. PV document must reference the outstanding PO for the amount by which the contract is to be reduced.

- Step 7

AGENCY repeats this process until each contract is completely liquidated.

- Step 8

Go to "G. Closing the Project."

C. Managing the Project: Architect/Engineer's Agreement

- Step 1

A/E prepares pay application for portion of work completed and sends to AGENCY Project Manager/SBP/delegee.

- Step 2

AGENCY Project Manager/SBP/delegee reviews pay application against contract & project documents & approves the invoice.

- Step 3

AGENCY Project Manager/SBP/delegee sends pay application to appropriate AGENCY accounting office.

- Step 4

AGENCY accounting office enters COFRS PV document for net payment due to vendor. PV document must reference the outstanding PO for the amount by which the contract is to be reduced.

- Step 5

AGENCY repeats this process until each contract is completely liquidated.

- Step 6

Go to "G. Closing the Project."

D. **A/E Supplementals/Change Orders.** (The following process is the same for both A/E Supplementals and Change Orders. The term A/E Supplementals may be interchanged with the term Change Orders in Steps 2 through 10.)

- Step 1

A/E issues a Supplemental Order with instructions for the change and a price to incorporate the change into the work.

- Step 1a

A/E issues Change Order Bulletin to Contractor with instructions for the change and a price to incorporate the change into the work.
--
- Step 1b

Contractor prepares the price and sends it back to the A/E.

- Step 2

A/E reviews the price, approves it, and sends it to the AGENCY.

- Step 3

AGENCY Project Manager reviews and approves the price, & authorizes the A/E to prepare the Change Order.
--
- Step 4

A/E prepares the Change Order, signs and sends to Contractor.

- Step 5

Contractor signs and sends the Change Order to the AGENCY.
--
- Step 6

AGENCY Project Manager signs the Change Order and sends it to the appropriate AGENCY accounting office.

- Step 7

AGENCY accounting office processes a COFRS PO to increase or decrease the amount of the associated encumbrance by the amount of the Change Order.

- Step 8

AGENCY accounting office sends a signed screen print of the document to SBP/delegee for signature

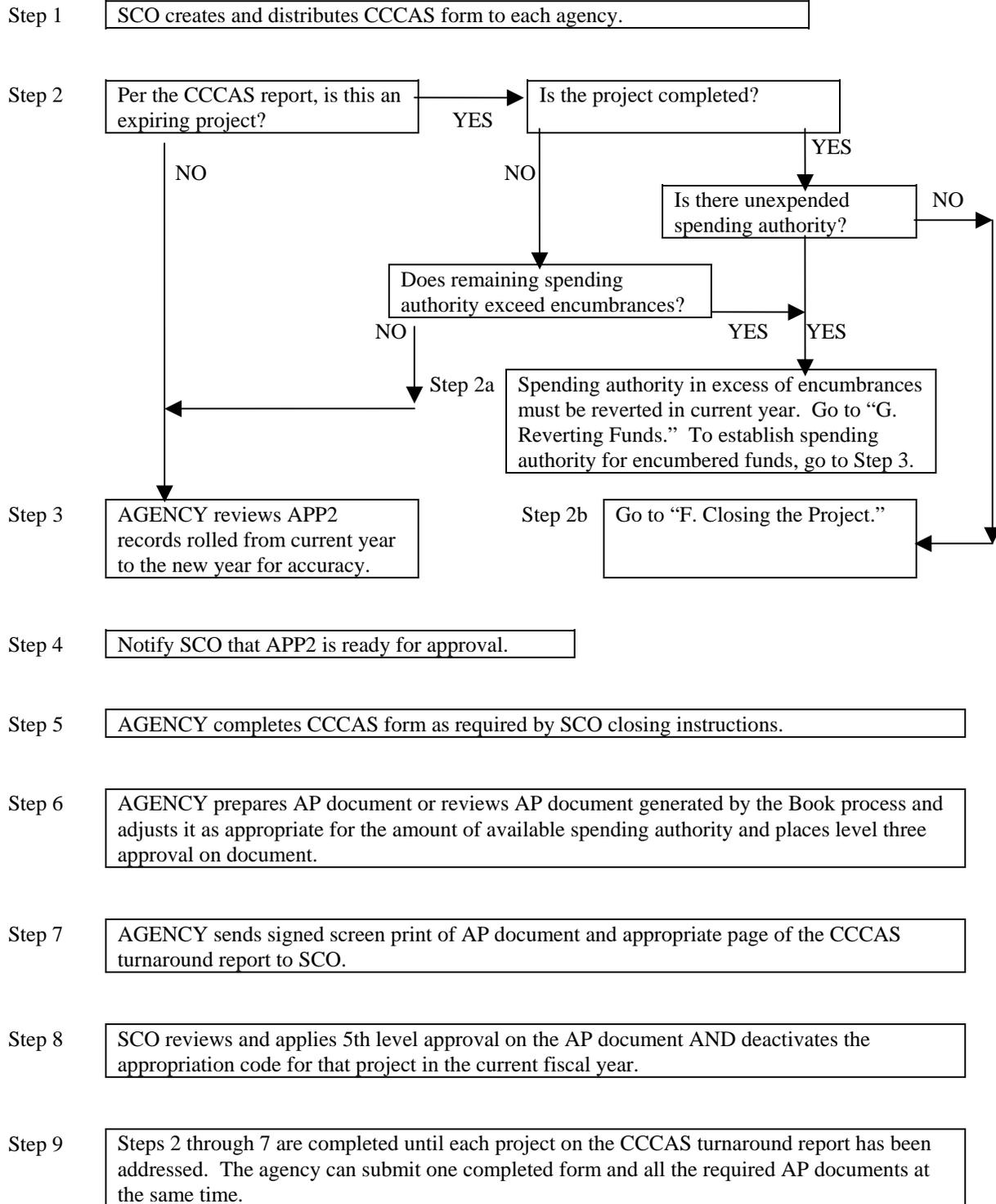
- Step 9

SBP/delegee signs Change Order and sends to State Controller/delegee for signature.

- Step 10

State Controller/delegee signs Change Order & sends back to SBP/delegee for distribution.

E. Fiscal Year End



F. Closing the Project

- Step 1

Contractor requests inspection & punch list from A/E.

- Step 2

A/E inspects & prepares punch list of items not acceptable, which is sent to the Contractor.
--
- Step 3

Contractor completes work required by punch list.

- Step 4

A/E inspects to determine if all punch list items are completed.
--
- Step 5

A/E determines that fewer than ten items from the punch list remain open. Do not go to Step 6 until the punch list contains fewer than ten items.

- Step 6

A/E completes & signs Closing Out Checklist (SBP Form 8-76) & Contract Close-out (SBP Form 4-76), & sends to Contractor.
--
- Step 7

Contractor signs forms & sends to the AGENCY Project Manager.

- Step 8

AGENCY Project Manager signs form & sends to SBP/delegee.

- Step 9

SBP/delegee signs & issues Notice of Acceptance (State Form SC-6.27) to AGENCY Project Manager.

- Step 10

Upon receipt of Notice of Acceptance, AGENCY Project Manager sends Notice of Contractor's Settlement (State Form-7.3) to newspapers.
--
- Step 11

Newspapers advertise settlement of project twice.

- Step 12

Ten days after last advertisement, Contractor is eligible for final payment & retainage.
--
- Step 13

Contractor sends application for final payment to A/E for approval.

- Step 14

A/E approves application for payment & sends to AGENCY Project Manager.

- Step 15

AGENCY Project Manager signs application for payment and sends to appropriate AGENCY fiscal area.

- Step 16

AGENCY fiscal area calculates retainage payoff if not done by Project Manager and processes COFRS PV document. PV document must liquidate balance of both contract liability and retainage liability.

- Step 17

AGENCY/COFRS generates warrant for final payment to Contractor.

- Step 18

Upon receipt of final payment, Contractor sends as-builts and warranties to the AGENCY Project Manager.

- Step 19

AGENCY sends SBP a set of stamped/signed or certified true copies of project documents for archives.
--

G. Reverting Funds

- Step 1a

Project is expiring or complete and unexpended funds remain.
--
- Step 2

AGENCY must revert balance of funds.

- Step 3

AGENCY completes CCCAS form as required by SCO closing instructions.
--
- Step 4

AGENCY enters AP document for the amount of remaining available spending authority to be reverted.
--
- Step 5

AGENCY places 3rd level approval & sends signed screen print of AP document to SCO with completed CCCAS form.

- Step 6

SCO applies 5th level approval on the AP document and deactivates the project for the old fiscal year.
--
- Step 7

Step 3 through 6 is completed until each project on the CCCAS turnaround report has been addressed.

APPENDIX E

Administration of Capital Construction and Controlled Maintenance Projects

APPENDIX E

Administration of Capital Construction and Controlled Maintenance Projects

State Buildings Programs Policies and Procedures

CHECKLIST OF THE BASIC STEPS REQUIRED IN THE ADMINISTRATION OF CAPITAL CONSTRUCTION AND CONTROLLED MAINTENANCE PROJECTS (incorporating a Standard Scope of Professional Services for Design and a Lump-Sum Bid process for Construction.)

BASIC STEPS		RESPONSIBILITY
A.	SETTING UP A PROJECT	
1.	Agency receives a long bill appropriation.	Legislature
2.	Accounts and Control assigns project number.	SBP/DOAC
3.	Construction Project Application SC-4.1 is prepared and sent to State Buildings Programs with the signature of the Principal Representative and the AP document.	Agency
4.	Review and SBP signature approval of SC-4.1 and sent to DOAC with AP document.	SBP/Delegee
5.	Distribution of approved SC-4.1.	DOAC
6.	Agency follows guidelines established to assist all state personnel responsible for the administration of controlled maintenance and capital construction projects.	Agency/Delegee/SBP
B.	STARTING THE PROJECT	
1.	Preparation of Request for Qualifications (RFQ) draft for professional services.	Agency
a.	Professional services can also include efforts to produce studies, surveys, and programming documents.	
b.	If a non-standard project delivery method is proposed incorporating a construction manager/general contractor (CM/GC), this approach must first be approved by SBP.	SBP/Director
2.	Review and approval of RFQ draft for content, format and application.	SBP/Delegee
3.	Completion of RFQ.	Agency
4.	Advertisement for professional services pursuant to C.R.S. 24-30-1405, as amended. (Minimum solicitation time is 15 days and must be advertised on two separate dates.)	Agency
	NOTE: For professional services fees estimated at < \$50,000, public notification is not required, pursuant to C.R.S. 24-30-1405, as amended (an advertisement is not required).	
5.	RFQ documents are made available to prospective respondents.	Agency
6.	Completed RFQ's from respondents are evaluated and most qualified are invited to interview.	Agency
7.	Most qualified architect/engineer is selected and contract negotiations commence pursuant to C.R.S. 24-30-1405 (et. Seq.), as amended.	Agency
8.	A standard Architect/Engineer Services Agreement (Form SC-5.1) for all professional services involving design and specification of projects where the product of the services will result in construction or demolition, is prepared. A standard Consultant Agreement (Form 6-AC-02A) for professional services including asbestos abatement where the product does not result in construction or	Agency

	demolition is prepared. Attach Contractor Certification of Wage Rates and Minority/Women Business Enterprises (MBE/WBE) Compliance Report Form SBP-04 . Insurance certificate from Architect/Engineer is required.	
a.	First, the Architect/Engineer signs the agreement, then the Agency's Principal Representative, then SBP.	
b.	If modifications are proposed to the standard agreement or if a non-standard project delivery method such as a construction manager/general contractor (CM/GC) has previously been approved by SBP, a draft of the Architect Engineer Companion Agreement to the CM/GC contract must	SBP Director
BASIC STEPS		RESPONSIBILITY
	first be approved by SBP prior to signing the Architect/Engineer Agreement.	
9.	Review and SBP signature approval of agreement. Agreement is then sent to the Attorney General's Office, Division of Human Resources, and the State Controller's Office, if delegations are not within the agency.	SBP/Delegee
	<u>NOTE</u> : State Controller will establish effective date; however, agency may insert date agreement is reached (made date).	
9.1.	Send copy of executed Agreement to C-West Code Consultants.	Agency
10.	Architect/Engineer prepared drawings and specifications are reviewed for programmatic compliance OR	Agency
10.1	Architect Engineer prepared study, survey or program document is reviewed and approved, thus satisfying the obligation of the Architect/Engineer as stipulated in the Consultant Agreement .	Agency
11.	Progress sets of the Architect's/Engineer's prepared drawings and specifications are sent to the State's code review consultant per the policies and procedures of the State's Code Review Checklist (Form SC-11.9, revised 1/97) pursuant to C.R.S. 24-30-1303(1)(2), as amended.	Agency and Architect/Engineer
12.	Architect prepared drawings and specifications are reviewed by SBP pursuant to C.R.S. 24-30-1303(3), as amended, with comments sent to the agency and the Architect/Engineer.	SBP/Delegee
13.	Agencies that have been approved to use the As-Needed Services Program will interview at least three (3) architects/engineers/consultants from the list and select the most qualified. Agencies not delegated will prepare four (4) Work Authorizations , send them along with a memo describing the selection process with a list of questions and a score sheet to the State Buildings' Director for approval.	Agency/Delegee/ SBP
14.	Responses to SBP delegee and code review consultant review comments, and incorporation of comments into drawings and specifications.	Agency and Architect/Engineer
15.	Preparation of Authorization to Bid (Form SC-6.10) with Architect/Engineer's estimate and signature for a lump-sum bid.	Agency
16.	<u>NOTE</u> : Code compliance documentation for the bid and drawings from the State's code review consultant is required prior to SBP approval of the Authorization to Bid .	Agency
17.	Preparation of Invitation to Bid (Form SC-6.11) .	Agency
18.	Approval and advertisement of Invitation to Bid for a lump-sum bid project pursuant to Procurement Rule R-24-103-202(3), revised 1/1/95 (minimum solicitation time is 14 days).	SBP/Delegee
a.	If a non-standard project delivery method is proposed incorporating a construction manager/general contractor (CM/GC), the proper solicitation for pre-construction/construction services is Request for Proposal (RFP). The RFP draft must first be reviewed and approved by SBP.	SBP Director
b.	The preparation of the RFP draft.	Agency
c.	Approval of the RFP draft.	SBP Director

d.	Advertisement for the RFP is to be reviewed and approved by SBP and advertised by the agency pursuant to Procurement Rule R-24-103-202a-01e, rev. 1/1/96. (Minimum solicitation time is 30 days.)	Agency and SBP
19.	Bids are received with accompanying Bid Bond (Form SC-6.14) , revised 7/1/89) and opened publicly pursuant to Procurement Rule R-24-103-202a.08, revised 1/1/95.	SBP/Delegee/ Agency
	<u>NOTE:</u> For a CM/GC project, RFP submittals for pre-construction/construction services, general conditions, are received and evaluated by agency with input from SBP. Interviews are set up and the most qualified is determined based on a combination of qualifications and price by the agency with input from SBP.	Agency and SBP Director
20.	Notice of Award (Form SC-6.15) is prepared, signed, and sent to agency.	SBP/Delegee
	<u>NOTE:</u> For a CM/GC project, Notice of Award is prepared by agency and signed by SBP prior to distribution by agency.	SBP/Delegee
BASIC STEPS		RESPONSIBILITY
21.	Distribution of Notice of Award signed by Principal Representative.	Agency
22.	Preparation of the standard Construction Agreement (Form SC-6.21, revised 9/92) . Agreement is sent to Agency for Principal Representative's signature. (If timing is critical, Principal Representative may sign Agreement at signing conference.)	SBP/Delegee
	<u>NOTE:</u> If modifications are proposed to the standard Agreement , or if a non-standard project delivery method such as a construction manager/general contractor (CM/GC) has previously been approved by SBP, the draft of the Agreement must first be approved by SBP prior to signatures by the agency, contractor and SBP.	SBP Director
23.	A contract signing conference is held with SBP and the contractor:	SBP/Delegee/ Agency
	<ul style="list-style-type: none"> contractor provides bonds with limits of each equal to 100% of the accepted bid (Forms SC-6.22, revised 7/70, and 6.221, revised 6/85) with power of attorney; certificate of insurance; and Minority/Women Business Enterprises (MBE/WBE) Compliance Report (Form SBP-04). 	Contractor
	<ul style="list-style-type: none"> agency provides four (4) complete stamped sets of drawings signed by the A/E and four (4) sets of specifications stamped and signed by the A/E. 	Agency and A/E
	<ul style="list-style-type: none"> agency provides the Building Inspection Record (SBP B.I.R. 7/98) posted by the Contractor at the job site. 	Contractor
	<ul style="list-style-type: none"> SBP and contractor sign four (4) sets of drawings and four (4) sets of specifications that have previously been signed by A/E. SBP and contractor sign five (5) original Agreements. Agreement is then sent to the Attorney General's Office and the State Controller's Office, if delegations are not within the Agency. If State Controller signs, he will distribute the copies. 	SBP/Delegee
	<u>NOTE:</u> State Controller will establish effective date; however, agency may insert date agreement is reached.	SBP/Delegee
	<ul style="list-style-type: none"> if contract time is \geq 180 days, it must be routed to the Division of Human Resources, prior to the AG's office. ONLY DELEGATED AGENCIES HAVE A PERSONAL SERVICES WAIVER. 	SBP Director
	<ul style="list-style-type: none"> for a CM/GC pre-construction/construction services base agreement/ the signing of the contract would be similar to that of a lump-sum bid except that the RFP document would be the basis for the fee and no bonds or insurance documents would be required until the first amendment establishing the guaranteed maximum price (GMP). 	SBP/Director
24.	Fully executed Agreement received. Five (5) originals of Notice to Proceed prepared, signed and forwarded to Principal Representative.	SBP/Delegee
25.	Principal Representative signs and distributes Notice to Proceed .	Agency

26.	Signed original of Notice to Proceed received. Contract manuals are prepared that incorporate specifications prepared by A/E, Construction Agreement, General Conditions (SC-6.23, revised 6/85) and Special Supplementary General conditions (SC-6.23A, revised 2/97), bonds and insurance forms, MBE/WBE Contract Compliance Form, Notice to Proceed (SC-6.23) , signed by SBP. Manuals are distributed to agency, contractor, A/E, and one is retained by SBP.	SBP/Delegee/ Agency
27.	Project begins within ten days of date stipulated on Notice to Proceed . NOTE: On a previously approved CM/GC project, the contractor would commence work as designated in the pre-construction/construction services/general conditions agreement immediately after the effective date the contract was established by the State Controller/delegee.	Contractor Contractor
C. MANAGING THE PROJECT: (Architect/Engineer Agreement)		
1.	Preparation of A/E Pay Application (Form SC-7.1) for portion of work completed and sends to agency.	A/E

BASIC STEPS		RESPONSIBILITY
2.	A/E Pay Application is reviewed against contract and Principal Representative signs for approval and sends to SBP for signature approval.	Agency/SBP/Delegee
3.	Process is repeated until contract is completely liquidated.	Agency
NOTE: Process is similar when professional services are being provided on a CM/GC project.		
C1.	MANAGING THE PROJECT: (Contractor's Agreement)	
1.	Preparation of Contractor's Pay Application (Form SC-7.s) for portion of work completed. Sends to A/E for approval.	Contractor
2.	A/E approves Contractor's Pay Application and sends to Agency.	A/E
3.	Contractor's Pay Application is reviewed against contract and retainage held. Principal Representative approves and sends to SBP for signature approval.	Agency/Delegee/SBP
4.	Process is repeated until contract is completely liquidated.	
NOTE: Process is similar if a CM/GC project delivery method is used.		
D.	A/E SUPPLEMENTS/CHANGE ORDERS/AMENDMENTS	
A/E Supplements are used to make modifications to a professional services contract. Refer to SBP Contract Modification Guidelines Policy (Form SBP/CONTRACTMOD01) for appropriate application.		
A/E SUPPLEMENTS		
1.	Additional A/E services are requested within the original scope of the Agreement and agency's professional services budget.	Agency
2.	A/E prepares and Principal Representative signs Supplement (Form SC-7.0, Rev. 2/96) and sends to SBP.	A/E
3.	Review and SBP signature approval. Approved Supplement is sent to State Controller's Office, if delegation is not within agency.	SBP
4.	Distribution of signed Supplement	Agency
NOTE: Process is similar if professional services are being provided on a CM/GC project.		
CHANGE ORDERS		
Change Orders are used to make modifications to the construction contract. Refer to SBP Contract Modifications Guidelines Policy (SBP/CONTRACTMOD01) for appropriate application.		
1.	Change work is requested	Agency
2.	A/E issues Change Order Bulletin (Form SC-6.311) with instructions to contractor.	A/E
3.	Contractor prepares Change Order Proposal (Form SC-6.312) with price and returns to A/E.	Contractor
4.	A/E reviews and approves price and forwards to agency.	A/E
5.	Agency reviews and approves Change Order Proposal and authorizes A/E to prepare Change Order (Form SC-6.31)	Agency
6.	A/E prepares Change Order , signs and issues it to Contractor.	A/E
7.	Contractor signs Change Order and sends to agency.	Contractor
8.	Agency's Principal Representative signs Change Order and sends to SBP.	Agency
9.	Review and SBP signature approval of Change Order . Signed documents sent to State Controller's Office, if delegation is not within agency.	SBP
10.	Distribution of Change Order .	Agency
NOTE: Process is similar if a CM/GC project delivery method is being used.		
EMERGENCY FIELD CHANGE ORDERS		
1.	Change work is requested.	Agency

BASIC STEPS		RESPONSIBILITY
NOTE: Contract language establishing the Emergency Field Change Order must be included in the original contract documents. (See Emergency Field Change Order Policy SBP-EMG FIELD CO.)		
2.	A/E issues Emergency Field Change Order with instructions to Agency.	A/E
3.	Emergency Field Change Order is approved.	Principal Representative and SBP
4.	Distribution of Emergency Field Change Order .	Agency
AMENDMENTS		
Amendments are used to make significant modifications to professional services contracts or construction contracts. Refer to SBP Contract Modifications Guidelines Policy (SBP CONTRACTMOD01) for appropriate application.		
1.	When using an Amendment (Form SBP-02, Revised 1/96) to a professional services contract, the process is similar to that of a Supplement . When using an Amendment to a construction contract, the process is similar to that of a Change Order . SBP approves all Amendments by signature.	Agency/SBP/Deegee
a.	Signature approval of the Attorney General/deegee is also required on all Amendments .	AG
b.	For CM/GC contracts, Amendments are used to establish the "guaranteed maximum price" (GMP) and to incorporate all anticipated bid packages into the construction contract. SBP approves all Amendments by signature.	SBP Director
E. FISCAL YEAR END		
1.	Preparation and distribution of Open Projects List .	DOAC
2.	Review of Open Projects List for: expiration of third year closing deadline for appropriation; additional appropriations for upcoming year; unexpended funds remaining versus outstanding encumbrances; project completion and/or project continuation status and reverting funds.	Agency
3.	Preparation and submittal of CCCAS form as required by DOAC instructions to either request for project close-out or continuance of appropriate spending authority.	Agency
F. CLOSING THE PROJECT		
1.	Contractor requests inspection and punch list from A/E after all required code inspections have been performed and signed-off in accordance with the Building Inspection Record .	Contractor
2.	A/E inspects and prepares punch list of items not acceptable. Punch list is sent to Contractor and with copies to agency.	A/E
3.	Contractor completes work required by punch list.	Contractor
4.	A/E and agency inspect project to determine all punch list items have been completed and that fewer than ten items remain.	A/E and Agency
5.	A/E completes and signs Close Out Checklist (Final Occupancy Permit SBP-05, revised 7/98) and Contract Close-out Punch List (SBP-06, revised 7/98) and sends to Contractor.	A/E
6.	Contractor signs form and sends to agency.	Contractor
7.	Agency's Principal Representative signs form and sends to SBP.	Agency
8.	Review and SBP signature approval of checklist forms. Preparation of SBP signature approval of Notice of Acceptance (Form SC-6.27) issued to agency.	SBP/Deegee
	NOTE: The warranty period begins when Principal Representative signs Notice of Acceptance .	Agency
9.	Agency's Principal Representative signs Notice of Acceptance and distributes.	Agency

BASIC STEPS		RESPONSIBILITY
10.	Notice of Contractor's Settlement (Form SC-7.3, revised 5/93) is prepared and sent to newspapers pursuant to C.R.S. 38-26-107, as amended.	Agency
11.	Newspapers advertise settlement of project twice. Ten days after last advertisement, contractor is eligible for final payment and retainage.	Agency
12.	Contractor sends Final Application for Payment to A/E for approval.	Contractor
13.	A/E approves Final Application for Payment and sends to agency.	A/E
14.	Agency's Principal Representative signs Final Application for Payment and distributes.	Agency
15.	Before receipt of final payment, contractor sends as-built drawings and warranties to agency.	Contractor
16.	Six-month and eleven-month walk-through inspections with A/E and Contractor as per Agreement .	Agency

REFERENCES:

1. Colorado Revised Statutes (C.R.S.): title 24, Article 30, Parts 13 and 14, as amended
2. Fiscal Rules: issued by the Division of Accounts and Control.
3. Procurement Rules: issued by the Division of Purchasing.
4. Budget Instructions: issued by the Office of State Planning and Budget.
5. Capital Construction Accounting Guidelines: issued by the Division of Accounts and Control.

APPENDIX F

Retainage

- Retainage Statute

CRS 24-91-101 through 110

Retainage Statutes

24-91-101. Legislative declaration. (1) The general assembly hereby declares that retentions in and delays in the completion of construction contracts with public entities are a matter of statewide concern and are affected with the public interest and that the provisions of this article are enacted in the exercise of the police power of this state for the purpose of protecting the health, peace, safety, and welfare of the people of this state.

(2) The general assembly hereby further finds and declares that the construction industry is a significant component of the state's economy; that there is a substantial statewide interest in fostering the growth and stability of the construction industry and ensuring that it remains economically viable; that the ability of construction and design enterprises to obtain and satisfactorily perform projects at all levels of government affects the construction industry as a whole; that clauses in public construction contracts which provide that public entities shall not be required to compensate contractors for delays in the completion of the work caused by the public entity are adhesive in nature and, if enforced, can have ruinous financial consequences on affected contractors due to risks over which the contractor may have no control; that public construction projects are subject to public appropriation laws which may be in direct conflict with commonly used construction contract clauses such as clauses which authorize additional payment to the contractor based on changed conditions; and that there is a substantial statewide interest in ensuring that the policy underlying the efficient expenditure of public moneys is balanced with the policy of fostering a healthy and viable construction industry.

Source: L. 79: Entire article added, p. 995, § 1, effective July 1. L. 89: Entire section amended, p. 1142, § 1, effective April 10. L. 92: Entire section amended, p. 1086, § 1, effective July 1.

24-91-102. Definitions. As used in this article, unless the context otherwise requires:

(1) "Acceptable securities" means:

- (a) United States bonds, United States treasury notes, or United States treasury bills;
- (b) General obligation or revenue bonds of this state;
- (c) General obligation or revenue bonds of any political subdivision of this state;
- (d) Certificates of deposit from a state or national bank or a savings and loan association insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation and having its principal office in this state.

(2) "Contractor" means any person, company, firm, or corporation which is a party to a contract with a public entity to construct, erect, alter, install, or repair any highway, public building, public work, or public improvement, structure, or system.

(3) "Public entity" means this state or a county, city, city and county, town, or district, including any political subdivision thereof.

(4) "Subcontractor" means and includes any person, company, firm, or corporation which is a party to a contract with a contractor to construct, erect, alter, install, or repair any highway, public building, public work, or public improvement, structure, or system and which, in connection therewith, furnishes and performs on-site labor with or without furnishing materials.

(5) "Substantial completion" means the date when the construction is sufficiently complete, in accordance with the contract documents, as modified by any change orders agreed to by the parties, so that the work or designated portion thereof is available for use by the owner.

Source: L. 79: Entire article added, p. 995, § 1, effective July 1. L. 84: (1)(d) amended, p. 741, § 1, effective February 23. L. 86: (1)(d) amended, p. 971, § 1, effective July 1.

24-91-103. Public entity - contracts - partial payments. (1) A public entity awarding a contract exceeding eighty thousand dollars for the construction, alteration, or repair of any highway, public building, public work, or public improvement, structure, or system shall authorize partial payments of the amount due under such contract at the end of each calendar month, or as soon thereafter as practicable, to the contractor, if the contractor is satisfactorily performing the contract. At least ninety percent of the calculated value of any work completed shall be paid until fifty percent of the work required by the contract has been performed. Thereafter, the public entity shall pay any of the remaining installments without retaining additional funds if, in the opinion of the public entity, satisfactory progress is being made in the work. The withheld percentage of the contract price of any such work, improvement, or construction shall be retained until the contract is completed satisfactorily and finally accepted by the public entity. If the public entity finds that satisfactory progress is being made in all phases of the contract, it may, upon written request by the contractor, authorize final payment from the withheld percentage to the contractor or subcontractors who have completed their work in a manner finally acceptable to the public entity. Before such payment is made, the public entity shall determine that satisfactory and substantial reasons exist for the payment and shall require written approval from any surety furnishing bonds for the contract work.

(2) Whenever a contractor receives payment pursuant to this section, the contractor shall make payments to each of his subcontractors of any amounts actually received which were included in the contractor's request for payment to the public entity for such subcontracts. The contractor shall make such payments within seven calendar days of receipt of payment from the public entity in the same manner as the public entity is required to pay the contractor under this section if the subcontractor is satisfactorily performing under his contract with the contractor. The subcontractor shall pay all suppliers, sub-subcontractors, laborers, and any other persons who provide goods, materials, labor, or equipment to the subcontractor any amounts actually received which were included in the subcontractor's request for payment to the contractor for such persons, in the same manner set forth in this subsection (2) regarding payments by the contractor to the subcontractor. If the subcontractor fails to make such payments in the required manner, the subcontractor shall pay said suppliers, sub-subcontractors, and laborers interest in the same manner set forth in this subsection (2) regarding payments by the contractor to the

subcontractor. At the time the subcontractor submits a request for payment to the contractor, the subcontractor shall also submit to the contractor a list of the subcontractor's suppliers, sub-subcontractors, and laborers. The contractor shall be relieved of the requirements of this subsection (2) regarding payment in seven days and interest payment until the subcontractor submits such list. If the contractor fails to make timely payments to the subcontractor as required by this section, the contractor shall pay the subcontractor interest as specified by contract or at the rate of fifteen percent per annum whichever is higher, on the amount of the payment which was not made in a timely manner. The interest shall accrue for the period from the required payment date to the date on which payment is made. Nothing in this subsection (2) shall be construed to affect the retention provisions of any contract.

(3) The provisions of this section shall apply to contracts between contractors and subcontractors entered into on or after July 1, 1991.

Source: L. 79: Entire article added, p. 996, § 1, effective July 1. L. 91: Entire section amended, p. 904, § 1, effective July 1.

24-91-103.5. Public entity - contracts - delay clauses. (1) (a) Any clause in a public works contract that purports to waive, release, or extinguish the rights of a contractor to recover costs or damages, or obtain an equitable adjustment, for delays in performing such contract, if such delay is caused in whole, or in part, by acts or omissions within the control of the contracting public entity or persons acting on behalf thereof, is against public policy and is void and unenforceable.

(b) As used in this subsection (1), public works contract means a contract of the state, county, city and county, city, town, school district, special district, or any other political subdivision of the state for the construction, alteration, repair, or maintenance of any building, structure, highway, bridge, viaduct, pipeline, public works, or any other work dealing with construction, which shall include, but need not be limited to, moving, demolition, or excavation performed in conjunction with such work.

(2) Subsection (1) of this section is not intended to render void any contract provision of a public works contract that:

(a) Precludes a contractor from recovering that portion of delay costs caused by the acts or omissions of the contractor or its agents;

(b) Requires notice of any delay by the party responsible for such delay;

(c) Provides for reasonable liquidated damages;

(d) Provides for arbitration or any other procedure designed to settle contract disputes.

Source: L. 89: Entire section added, p. 1142, § 2, effective April 10.

24-91-103.6. Public entity - contracts - appropriations - change orders - severability. (1) No public entity shall contract with a designer, a contractor, or a designer and contractor for the construction, the design, or both the construction and design of a public works project unless a full and lawful appropriation when required by statute, charter, ordinance, resolution, or rule or regulation has been made for such project.

(2) Every public works contract, as defined in section 24-91-103.5 (1) (b), shall contain the following:

(a) A statement that the amount of money appropriated is equal to or in excess of the contract amount; and

(b) A clause which prohibits the issuance of any change order or other form of order or directive by the public entity requiring additional compensable work to be performed, which work causes the aggregate amount payable under the contract to exceed the amount appropriated for the original contract, unless the contractor is given written assurance by the public entity that lawful appropriations to cover the costs of the additional work have been made or unless such work is covered under a remedy-granting provision in the contract.

(3) If the requirements of subsection (1) or (2) of this section are not met, a civil action may be maintained against the public entity which has contracted for the public works project to recover sums due under the contract notwithstanding any appropriation statute, ordinance, resolution, or law to the contrary.

(4) In the event that a good faith dispute arises between a public entity and a contractor concerning the contractor's right to receive additional compensation under a remedy-granting provision of the public works contract, it shall not be a defense to a civil action for payment for such claim that no moneys have been appropriated for such claimed amounts, so long as the contractor has complied with all provisions of the contract applicable to the dispute, including but not limited to change order and additional work clauses, and has submitted to the public entity a statement sworn to under penalty of perjury which sets forth: The amount of additional compensation to which the contractor contends that it is entitled; that claim-supporting data which is accurate and complete to the best of the contractor's knowledge and belief have been submitted; and that the amount requested accurately reflects what is owed by the public entity. As used in this subsection (4), "remedy-granting provision" means any contract clause which permits additional compensation in the event that a specific contingency or event occurs. Such term shall include, but shall not be limited to, change clauses, differing site conditions clauses, variation in quantities clauses, and termination for convenience clauses.

(5) If a final judgment is entered pursuant to a civil action brought by a contractor for which adequate appropriations have not been made, the judgment debtor public entity shall promptly make payment pursuant to section 13-60-101, 24-10-113, 24-10-113.5, or 30-25-104, C.R.S., and any other statutory requirement on payment of judgments.

(6) Any provision of this section which is in conflict with the terms of any federal grant shall be inapplicable to a contract between a contractor and a public entity which is funded in whole or in part by that grant.

(7) Nothing in this section shall prohibit:

(a) The use of phased construction over a period of years where, if applicable, the public entity has informed the contractor of initial annual appropriations at the time the contract is signed, and subsequent annual appropriations as they occur, in statements issued pursuant to subsection (2) of this section; or

(b) The use of bond-financed construction where appropriations to service bond debt may occur subsequent to the commencement of construction, where this fact is clearly stated in disclosure statements made pursuant to subsection (2) of this section.

(8) The provisions of this section shall apply to any contract executed on or after July 1, 1992.

(9) If any provision of this section or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this section that can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

Source: L. 92: Entire section added, p. 1087, § 2, effective July 1.

24-91-104. Contract - completion by public entity - partial payments. If it becomes necessary for a public entity to take over the completion of any contract, all of the amounts owing the contractor, including the withheld percentage, shall be applied: First, toward the cost of completion of the contract; second, toward performance of the public entity's withholding requirement set forth in section 38-26-107, C.R.S.; third, to the surety furnishing bonds for the contract work, to the extent such surety has incurred liability or expense in completing the contract work or made payments pursuant to section 38-26-106, C.R.S.; then, to the contractor. Such retained percentage as may be due any contractor shall be due and payable at the expiration of thirty days from the date of final acceptance by the public entity of the contract work.

Source: L. 79: Entire article added, p. 996, § 1, effective July 1. L. 86: Entire section amended, p. 971, § 2, effective July 1.

24-91-105. Withdrawal by contractor of sums withheld - security deposit required. The contractor under any contract exceeding eighty thousand dollars made or awarded by any public entity, pursuant to which sums are withheld to assure satisfactory performance of the contract, may withdraw the whole or any portion of the said sums withheld if the contractor deposits acceptable securities with the public entity. The contractor shall take such actions as the public entity may require to transfer the securities or a limited interest in the securities, including a security interest, and to authorize the public entity to negotiate the acceptable securities and to receive the payments due the public entity pursuant to law or the terms of the contract, and, to the extent there are excess funds resulting from said negotiation, the balance shall be returned to the contractor. Such acceptable securities so deposited at all times shall have a market value at least equal in value to the amount so withdrawn. If at any time a public entity determines that the market value of the acceptable securities theretofore deposited has fallen below the amount so withdrawn, the public entity shall give notice thereof to the contractor, who forthwith shall deposit additional acceptable securities in an amount sufficient to reestablish a total deposit of securities equal in value to the amount so withdrawn.

Source: L. 79: Entire article added, p. 996, § 1, effective July 1. L. 86: Entire section amended, p. 972, § 3, effective July 1.

24-91-106. Escrow agreement - authority to enter into - effect on acceptable securities. (1) A public entity and the contractor may enter into an escrow contract or escrow contract and security agreement with any national bank, state bank, trust company, or savings and loan association located in this state and designated by mutual agreement of the public entity and the contractor, after notice to the surety, to provide as escrow agent for the custodial care and servicing of any acceptable securities deposited with him pursuant to this section. Such services shall include the safekeeping of the acceptable securities and the rendering of all services required to effectuate the purposes of this section and section 38-26-107, C.R.S.

(2) Any acceptable securities deposited with an escrow agent pursuant to this section shall be deemed to be in the possession of the public entity, and the public entity shall be deemed to have a perfected security interest in the acceptable securities for purposes of article 8 or 9 of title 4, C.R.S.

(3) The deposit of acceptable securities with a state or national bank, or a state or federal savings and loan association, shall not be deemed a holding of public deposits for purposes of article 10.5 or 47 of title 11, C.R.S.

Source: L. 79: Entire article added, p. 997, § 1, effective July 1. L. 86: Entire section amended, p. 972, § 4, effective July 1. L. 96: (2) amended, p. 246, § 24, effective July 1.

24-91-107. Custodian for acceptable securities - collection of interest income - payable to contractor. The public entity or any national bank, state bank, trust company, or savings and loan association located in this state and designated by mutual agreement of the public entity and the contractor to serve as custodian for the acceptable securities pursuant to section 24-91-106 shall collect all interest and income when due on the acceptable securities so deposited and shall pay them, when and as collected, to the contractor who deposited the acceptable securities. If the deposit is in the form of coupon bonds, the escrow agent shall deliver each coupon, as it matures, to the contractor. Any expense incurred for this service shall not be charged to the public entity.

Source: L. 79: Entire article added, p. 997, § 1, effective July 1. L. 86: Entire section amended, p. 972, § 5, effective July 1.

24-91-108. Retained payments - amount deducted by a public entity. Any amount deducted by a public entity, pursuant to law or the terms of a contract, from the retained payments otherwise due to the contractor thereunder shall be deducted first from that portion of the retained payments for which no acceptable securities have been substituted and then from the proceeds of any deposited acceptable securities, in which case, the contractor shall be entitled to receive the interest, coupons, or income only from those acceptable securities which remain on deposit after such amount has been deducted.

Source: L. 79: Entire article added, p. 997, § 1, effective July 1. L. 86: Entire section amended, p. 973, § 6, effective July 1.

24-91-109. Retained payments - disbursement. All retained payments and interest thereon disbursed to any contractor under any contract with a public entity covered under this article shall be disbursed to each subcontractor by the contractor. The disbursement of such retained payments and interest shall be in proportion to the respective amounts of retained payments, if any, which the contractor theretofore has withheld from his subcontractors if the subcontractor has performed under his contract with the contractor.

Source: L. 79: Entire article added, p. 997, § 1, effective July 1.

24-91-110. Contracts excepted from article. The provisions of this article shall not apply in the case of a contract made or awarded by any public entity if a part of the contract price is to be paid with funds from the federal government or from some other source and if the federal government or such other source has requirements concerning retention or payment of funds which are applicable to the contract and which are inconsistent with this article.

Source: L. 79: Entire article added, p. 998, § 1, effective July 1.

- Escrow Contract for Retainage

Project No. _____

ESCROW CONTRACT

THIS ESCROW CONTRACT, made this _____ day of _____, 19_____, by and between the State of Colorado, acting by and through the Department of _____ for the use and benefit of the Division of _____, hereinafter referred to as the State, and _____ (a national bank, state bank, trust company, or savings and loan association) located in Colorado, hereinafter referred to as the Escrow Agent.

WHEREAS, required approval clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, the State and _____, a _____, doing business by virtue of the laws of the State of Colorado, hereafter referred to as the "Contractor" have heretofore entered into a contract, dated _____, 19_____, exceeding the amount of \$80,000, for the construction, alteration, or repair of a public building, work improvement, structure or system, identified as _____; and

WHEREAS, pursuant to Article 91 of Title 24, C.R.S. 1973, as amended, hereinafter referred to as the Statute, the State has already retained or shall retain payments otherwise due to the said Contractor in accordance with the terms and conditions of the aforesaid construction contract; and

WHEREAS, pursuant to the above cited statute the State may enter into an escrow contract with an Escrow Agency designated by the Contractor, after notice to the Surety, to provide for the custodial care, safekeeping and servicing of acceptable securities, as defined in said statute, deposited by the Contractor in substitution for the retained payments; and

WHEREAS, the Escrow Agent and the Contractor have agreed to the designation of the Escrow Agent and, further, as prescribed by the statute, the Escrow Agent and Contractor have agreed that any expenses incurred for the services of the Escrow Agent shall be charged to the State.

NOW, THEREFORE, it is hereby agreed that:

1. The Escrow Agent shall from time to time receive from the Contractor and deposit acceptable securities which shall consist of United States bonds, United States treasury

notes, United States treasury bills, general obligation or revenue bonds of the State of Colorado, general obligation or revenue bonds of, or of any political subdivision of, the State of Colorado; and/or certificates of deposit from a state or national bank or a savings and loan association insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation and having its principal office in the State of Colorado. The Contractor shall execute the attach to each acceptable security an assignment in the form approved by the State (Attachment 1), but such executed assignment form may be separately transmitted when a safekeeping receipt or other valid item is substituted for the actual security document. The assignment shall authorize the State to negotiate the security and receive any payments due the State pursuant to law or the terms of the contract.

2. At the time of receipt of the acceptable securities of whatsoever nature herein described with executed form of assignment (Attachment 1) attached thereto (or separately transmitted); or at any time thereafter when other acceptable securities with executed form of assignment attached thereof (or separately transmitted); are substituted therefore, the Escrow Agent promptly shall notify the State in writing specifically identifying the kind, character and class of such security.
3. The Escrow Agent shall retain the acceptable securities together with executed assignments until such time as the State, by its designated representative, shall instruct the Escrow Agent as to the disposition of such acceptable securities.
4. The Escrow Agent shall collect all interest and income when due on the acceptable securities so deposited and shall pay such interest and income when and as collected, to the Contractor. If the deposit is in the form of coupon bonds, the Escrow Agent shall deliver each coupon, as it matures, to the Contractor.
5. The Escrow Agent shall maintain the acceptable securities and assignments so deposited in a separate custody account under this contract, and shall not less than once each month determine the market value of such securities, and report such value to the designated representative of the State, and to the Contractor.
6. Once each quarter the Escrow Agent shall furnish the State a statement showing the transactions for the preceding quarter and identify acceptable securities being held by the Escrow Agent as of the last day of the previous quarter. From time to time at the request of the State, the Escrow Agent will furnish to the State and to the Contractor an interim statement showing the acceptable securities currently being held as of the 25th day of each month or if the 25th day is a non-business day, then the following business day.

7. Any expense incurred by the Escrow Agent in connection with the holding in escrow of the acceptable securities pursuant to the provisions of this contract shall not be charged to the State. The acceptable securities shall be free of any claim or charge for such expense.
8. It is clearly understood that the Escrow Agent shall not be deemed liable nor responsible for the collectibility of any acceptable securities held in escrow pursuant to the terms and conditions of this contract. The State shall have the right to have its designated representative inspect the acceptable securities from time to time to determine their authenticity. If such inspection shall determine that any of the securities are not authentic or collectible, the State shall have the obligation to forthwith require the Contractor to correct such deficiency.
9. Notwithstanding anything to the contrary herein appearing, the State shall have no duty to know or determine the performance or non-performance of any term or condition of any contract or agreement between the Escrow Agent and the Contractor, and the Escrow Agent shall have no duty to know or determine the performance or non-performance of any contract or agreement between the State and the Contractor, and the duties and responsibilities of the parties hereto are limited to those specifically stated herein.
10. The Escrow Agent shall waive and hereby does waive, any right or power of set-off against either the State or the Contractor in relation to the acceptable securities assigned.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Contract on the day first above written.

STATE OF COLORADO
ROY ROMER, GOVERNOR

ESCROW AGENT

By _____

Title _____

By _____

APPROVALS

State Controller

Attorney General

By _____

Assignment of Acceptable Security

The undersigned Contractor represents that he (it) is the owner of the acceptable security identified as follows:

Contractor hereby sells, assigns and transfers unto _____
(Beneficiary - Public Entity) all of his (its) right, title and interest in and to said security and does hereby
irrevocable constitute and appoint _____
(Beneficiary - Public Entity) attorney to transfer said security at any time unto _____
_____ (Beneficiary - Public Entity).

Dated at _____, Colorado this _____ day of _____, 19 _____.

Contractor-Owner

By _____
Title

NOTE: A separate form of this assignment should be executed and attached to each separate security.

APPENDIX G

COFRS Tables and References

- App2 Table sets up coding on COFRS to record an appropriation.
- Appropriation document records an appropriation on COFRS.

See Volume 2, Section 2, Chapter 3 of COFRS Manual for instructions on how to record appropriation documents on COFRS.
- Commonly used COFRS tables to determine the status of an appropriation:
 - APPI Appropriation Code Inquiry
 - AFSC Appropriation Funding Source - Cash Detail Inquiry
 - AFGI General Funding Source Inquiry
 - AFSI Appropriation Funding Source Inquiry
 - AFSF Appropriation Funding Source - Federal Detail Inquiry
 - OLBL Online Budget Ledger Table - Appropriations
- Extended Purchasing Reference (EPS)

See Volume 5 of the COFRS Manual for instructions.
- Recording a requisition, purchase order, and payment voucher on COFRS:

See Volume 3, Section 5, Chapter 3 of the COFRS Manual for instructions.
- At fiscal year end the State Controller's Office issues a listing of Capital Construction Expiring Appropriations and Continuing Appropriations.

See the current fiscal year Open/Close Instructions to determine what to do with these listings and what to record on COFRS.
- Grant Module

See Volume 4, Section 7 of the COFRS Manual for instructions.